

# **Integrated Financial Management System (IFMS) Technical Requirements**

**Version 1.0**

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## TABLE OF CONTENTS

<b>1. Introduction.....</b>	<b>1</b>
1.1 Overview of the Requirements Document .....	1
1.2 Purpose .....	1
1.3 IFMS Overview .....	2
1.4 MCC Overview of Operations.....	3
1.5 Assumptions and Constraints.....	3
1.5.1 Assumptions .....	4
1.5.2 Constraints.....	5
<b>2. Requirements Methodology.....</b>	<b>5</b>
2.1 Developing Requirements.....	5
2.2 Defining Requirements.....	5
2.2.1 Phase 1: Develop Preliminary Requirements .....	6
2.2.2 Phase 2: Conduct Stakeholder Review and Editing of Requirements .....	6
<b>3. Requirements.....</b>	<b>7</b>
3.1 Core Financial System Overview .....	8
3.1.1 IFMS Security and Legal Requirements .....	8
3.1.2 IFMS Minimum Required Modules and Applications.....	11
3.1.3 MCC-Specific Core Financial System Requirements.....	12
3.2 System Management Requirements .....	14
3.2.1 FSIO Standards for System Management Requirements .....	14
3.2.2 MCC-Specific System Management Requirements .....	14
3.3 General Ledger Management Requirements.....	15
3.3.1 FSIO General Ledger Management .....	15
3.3.2 MCC-Specific General Ledger Management .....	16
3.4 Budgetary Resource Management Requirements.....	19
3.4.1 FSIO Budgetary Resource Management.....	19
3.4.2 MCC-Specific Budgetary Resource Management .....	20
3.5 Payment Management and Receivable Management Requirements .....	35
3.5.1 FSIO Payment Management.....	35
3.5.2 MCC-Specific Payment Management.....	36
3.5.3 FSIO Receivable Management .....	59
3.5.4 MCC-Specific Receivable Management .....	60
3.6 Cost Management Requirements.....	62
3.6.1 FSIO Cost Management.....	62

3.6.2	MCC-Specific Cost Management .....	63
3.7	Fund Balance with Treasury Management Requirements .....	67
3.7.1	FSIO Fund Balance with Treasury Management .....	67
3.7.2	MCC-Specific Fund Balance with Treasury Management.....	67
3.8	Acquisition System Requirements.....	69
3.8.1	Federal Acquisition Management System Requirements .....	69
3.8.2	MCC-Specific Procurement Management System Requirements.....	71
3.9	Asset Management Requirements .....	81
3.9.1	Federal Asset Management Requirements .....	81
3.9.2	MCC-Specific Asset Management Module Requirements .....	81
3.10	Technical Requirements.....	84
3.10.1	FSIO Technical Requirements.....	84
3.10.2	MCC-Specific Technical Requirements .....	85
<b>Appendix A. Acronyms and Abbreviations.....</b>		<b>1</b>

## LIST OF EXHIBITS

Exhibit 1. Mapping of MCC Functional to FSIO Functional Areas.....	7
Exhibit 2. FSIO Standards for System Management .....	14
Exhibit 3. Financial Reporting – Accounting Classification and Financial Audits.....	15
Exhibit 4. FSIO General Ledger Management.....	16
Exhibit 5. Financial Reporting.....	17
Exhibit 6. FSIO Budgetary Resource Management .....	19
Exhibit 7. Budget Formulation .....	21
Exhibit 8. Budget Execution and Funds Control .....	26
Exhibit 9. Authorizing and Recording Commitments and Obligations .....	27
Exhibit 10. Compact and 609(g) Funds Distribution and Control .....	29
Exhibit 11. Advances under Compacts and 609(g) Agreements Requirements.....	31
Exhibit 12. Advances under Interagency Agreements (IAAs) .....	32
Exhibit 13. Expense Accruals – Credit Card Processing and General .....	32
Exhibit 14. Expense Accruals - QFR .....	34
Exhibit 15. FSIO Payment Management .....	36
Exhibit 16. Accounts Payable and Payments .....	36
Exhibit 17. Full-Time Employee (FTE) Payroll.....	40
Exhibit 18. Personal Services Contractor (PSC) Payroll.....	42
Exhibit 19. CPS System Requirements .....	42
Exhibit 20. Temporary Duty Travel and Travel Charge Cards .....	44
Exhibit 21. Post Relocation .....	48
Exhibit 22. Overseas Operations.....	59
Exhibit 23. FSIO Receivable Management.....	60
Exhibit 24. Accounts Receivable .....	60
Exhibit 25. FSIO Cost Management .....	62
Exhibit 26. MCC-Specific Cost Management Requirements.....	63
Exhibit 27. FSIO Fund Balance with Treasury .....	67
Exhibit 28. Reconciliation of Fund Balance with Treasury .....	67
Exhibit 29. Non-Expenditure Transfers.....	69
<b>Exhibit 30. Procurement System Requirements .....</b>	<b>71</b>
Exhibit 31. Property, Plant, and Equipment .....	82
Exhibit 32. FSIO Technical Requirements.....	84
Exhibit 33. MCC-Specific Technical Requirements .....	85

# 1. INTRODUCTION

## 1.1 OVERVIEW OF THE REQUIREMENTS DOCUMENT

This document presents a comprehensive list of the requirements for the Millennium Challenge Corporation's (MCC or Corporation) new Integrated Financial Management System (IFMS), as well as the methodology used to develop the list. This list of requirements will be issued with the solicitation documentation at the time of procurement and will support the evaluation and selection of the new financial system. The document is organized into the following sections:

- ▶ **Section 1 – Introduction** provides an overview of the IFMS, the assumptions and constraints, and the document contents.
- ▶ **Section 2 – Requirements Methodology** defines what a requirement is and presents the methodology for developing MCC's financial system requirements.
- ▶ **Section 3 – Requirements** presents a high-level description of each functional and technical area, as well as the complete list of requirements for those areas.

**Appendices** The following appendices supplement this document:

- ▶ Appendix A: Acronym List
- ▶ Appendix B: Requirements Spreadsheets
- ▶ Appendix C: National Institute of Standards and Technology (NIST) Requirements Spreadsheet

## 1.2 PURPOSE

MCC is in the planning and acquisition phase for the support and implementation of its IFMS and accounting operations. The IFMS will be a fully integrated, federally compliant financial management system with transactions executed by an experienced accounting staff. This acquisition requires that the Contractor implement, support, and manage the system and MCC accounting operations to accurately account for all financial activities and regularly create standard and ad-hoc reports on these transactions.

This requirements document describes the overall goals and objectives of the IFMS, the associated Contractor requirements, and is one of the work products that will be utilized as part of the System Development Life Cycle. The document also describes the performance, functional and

operational requirements, including limitations and constraints that the system, provider, and accounting staff must address. A proposed implementation strategy is also included for guidance.

The following section provides an overview of MCC and the IFMS, as well as assumptions, limitations and constraints for the IFMS solution.

### 1.3 IFMS OVERVIEW

MCC is seeking to improve the capabilities of, and services associated with its current financial management system by acquiring an IFMS and the required Federal financial management services from a public or private provider. MCC requires that the Contractor offer a Commercial off the Shelf (COTS) product. The IFMS must also be certified as meeting the core Federal financial management requirements as established by the Financial Systems Integration Office (FSIO).

MCC has contracted the services of its current shared service provider since MCC's inception in Fiscal Year (FY) 2003. A recent study identified gaps between the desired state and current state of MCC's financial management services. The winning Contractor will most effectively and cost efficiently close these gaps while providing experienced customer-centered service. The three main objectives of the IFMS are:

- ▶ *Support the MCC Mission:* The MCC mission is to reduce poverty through sustainable economic growth in developing countries that create and maintain sound policy environments. To support this mission, MCC officials require high-quality financial and performance management information to make and implement effective policy, management, stewardship, and program decisions. The IFMS and accounting staff will provide a more efficient and timely means of capturing and utilizing this data. The operations required by the MCC Mission, are discussed in more detail in the following section.
- ▶ *Meet Legislative and Management Mandates:* The IFMS will enable MCC to meet its fiduciary responsibilities, including accountability for U.S. tax dollars, and to comply with several legislative and regulatory mandates. These mandates include: FSIO, the Federal Manager's Financial Integrity Act (FMFIA), The Federal Financial Management Improvement Act (FFMIA), the Government Performance and Results Act (GPRA), the Federal Information Security Management Act (FISMA), and associated NIST guidance in NIST SP 800-53. For a more complete list, see Section 3.1.1.
- ▶ *Address the Office of Management and Budget (OMB) Compliance and Cost Accounting Requirements:* One important gap MCC seeks to correct is the lack of an integrated financial management system compliant with the FFMIA and OMB Circular A-127, which is also a material non-compliance issue that has been noted consistently in MCC's audit reports. MCC also currently lacks sufficient budget planning, budget formulation, and managerial

accounting support. The lack of managerial accounting support prevents MCC from meeting the requirements defined in the *Statement of Federal Financial Accounting Standards (SFFAS) Number 4, Managerial Cost Accounting Concepts and Standards*.

## 1.4 MCC OVERVIEW OF OPERATIONS

The MCC, a government-owned corporation created by the Millennium Challenge Act of 2003, provides unique grants, called compacts, to foreign governments. Compacts have specific, federally-mandated regulations associated with the implementation, execution and oversight of funds distribution, as described in the Millennium Challenge Act of 2003. Compacts tend to be five year grant agreements, ranging from tens to hundreds of millions of dollars, that fund a wide array of projects developed through cooperation between the MCC and the recipient country, also referred to as a Millennium Challenge Account (MCA) country. Funds are also provided to recipient countries through 609(g) funds, Compact Implementation Funds (CIF), Threshold funds, and Due Diligence funds.

MCC receives no-year funding from Congress. No-year funds are available for obligation without fiscal year limitation and remain available until expended. Budgetary allocations and disbursements for compact grants and funds are described in more detail in Section 3.4.2.

To execute these operations, MCC relies on a staff of about 300 full-time, Federal personnel and Personal Services Contractors (PSCs). Payroll and payment management for MCC's Full-Time Employee (FTE) staff is provided by the Department of Interior's National Business Center (NBC). Payroll and payment management for MCC's PSCs is provided by the U.S. Department of Agriculture's National Finance Center (NFC). Some programs, such as Threshold fund projects, are managed and executed by other agencies, such as the U.S. Agency for International Development (USAID). For its overseas operations and temporary travel, MCC works with the Department of State and its international systems.

Definitions to unique terms used throughout this document can be found in the Statement of Objectives, Section C, Appendix B.

## 1.5 ASSUMPTIONS AND CONSTRAINTS

This section discusses assumptions and constraints that might impact the outcome of MCC's IFMS acquisition. Assumptions are states or events accepted as true for the purpose of the project. Constraints are conditions outside the control of the project that limit the overall solution or the selection of alternatives. Constraints are distinguished from preferences based on whether there is a business-related reason or consequence. Both assumptions and constraints are outside the control

of the project, but need to be considered so that mitigating plans can be developed and implemented.

### 1.5.1 Assumptions

This requirements document was developed based on the following assumptions:

- ▶ The software selected will be capable of remaining current with changing and evolving FSIO requirements and will be updated by the Contractor in a timely manner to keep MCC compliant with emerging regulatory requirements.
- ▶ Requirements will be met with a minimal level of customization (i.e., source code changes to the base product) and the Contractor shall articulate how it will handle FRICE (Forms, Reports, Interfaces, Conversions, and Enhancements) objects.
- ▶ MCC-specific requirements that were identified during the interactive, on-line requirements development have been assigned a priority of Mandatory unless otherwise indicated.
- ▶ Detailed information regarding MCC's legacy systems that will interface with the IFMS are not included in this requirements document. These interfaces are documented in the MCC Concept of Operations, Section C-6, and will be further refined during the configuration and implementation phases.
- ▶ The process for the reconciliation of the Fund Balance with Treasury is currently being revised by the U.S. Treasury's Financial Management Service. Although the forms (FMS-6652 and FMS-224) are being eliminated from the process in favor of a centralized Account Statement, which is accessed through the Governmentwide Accounting system (GWA), the required information remains the same. Language for the requirements governing the reconciliation of the Fund Balance with Treasury is included, but as the transition to the GWA is not complete, the language for these requirements may change as the transition to the GWA is completed by the U.S. Treasury and Federal agencies.
- ▶ The language in the compiled requirements is guided by the FSIO Core Financial System Requirements, Requirement Drafting Guidelines (OFFM-NO-0106, January 2006; Appendix B).
- ▶ A shared service provider is defined as any organization providing Software as a Service to MCC.
- ▶ For the purposes of this document, integrated is defined as evidence of an existing ability to move data between two disparate modules or applications within the financial management domain, without manual transformation. For example, if System A produces a file containing an extract of data, which can be consumed by System B without humans manually altering the contents of that file, System A and B are considered integrated.



- ▶ Future situations such as new laws, policies, procedures, mandates, and orders may affect the operations defined in this document. A review of the policies and procedures currently in place within MCC will be necessary to implement a consolidated, agency-wide system.

### 1.5.2 Constraints

Constraints such as the Code of Federal Regulations regarding property, financial and accounting requirements outlined in the FSIO series of Federal Financial Management System Requirements; OMB's Circular No. A-127, Financial Management Systems; OMB's Circular No. A-123, Management's Responsibility for Internal Control; as well as other applicable standards of the Treasury, Government Accountability Office (GAO), FASAB, OMB, and MCC have been considered in the development of this document.

The Cost Accounting requirements discussed in the FSIO Core Financial System Requirements Document, SFFAS #4, and provided in this document are broad in nature. Specific design of cost accounting functionality for the IFMS will entail: the designation of Cost Pools, Cost Targets, and allocation rules for allocating direct and indirect costs, including direct and indirect overhead.

A partial list of constraints is listed in this RFP, Section C, Statement of Objectives, section 5.2. Though not listed, the constraints of the Contractor that will host the IFMS solution, as well as its accounting staff, shall also be considered.

## 2. REQUIREMENTS METHODOLOGY

This section defines what a requirement is and presents the methodology used to develop MCC's IFMS functional and technical requirements.

### 2.1 DEVELOPING REQUIREMENTS

Requirements should be written clearly and in sufficient detail to ensure that readers consistently interpret their meaning. Well written requirements ensure that requirements withstand alternative evaluation.

### 2.2 DEFINING REQUIREMENTS

Requirements are statements of need. Together, the requirements for the IFMS define what the financial system needs to do. MCC employed a disciplined and structured approach to identify and confirm the requirements presented in this requirements document. This approach has been used successfully by other Federal agencies to determine financial system requirements, and it incorporates best practices and lessons learned. In addition, the approach is compliant with industry

and government standards, including standards established by the Software Engineering Institute and Institute of Electrical and Electronics Engineers Computer Society.

### 2.2.1 Phase 1: Develop Preliminary Requirements

The project team began by compiling requirements from multiple sources to achieve an initial list of requirements for all functional areas. The preliminary requirements were built on requirements developed by FSIO. The sources used to develop the preliminary requirements include:

- ▶ **MCC Financial Management Policies and Procedures (FMPPs)** – The FMPPs, along with the FSIO requirements, formed the core of the MCC-specific IFMS requirements.
- ▶ **FSIO Core Financial System Requirements** – Core Financial System requirements (from the January 2006 Core Financial System Requirements document).
- ▶ **JFMIP Acquisition/Financial Systems Interface Requirements** – Acquisition system requirements listed in this document formed the core of the acquisition/automated procurement system requirements. It also takes guidance from the upcoming FSIO *Acquisition System Requirements* exposure draft of April, 2008.
- ▶ **NIST Special Publications** – The NIST Common Criteria v 2.2 is a consolidated set of IT security standards developed by consolidation of multiple international standards.

### 2.2.2 Phase 2: Conduct Stakeholder Review and Editing of Requirements

MCC stakeholders utilized JIRA, a requirements management tool, to assist in the review, management and completion of these requirements. Stakeholders accessed the JIRA system to edit, approve, and assign a level of importance (mandatory or value-added) to each MCC-specific requirement. All edits, changes, and approvals were captured within the system for tracking purposes.

### 3. REQUIREMENTS

The requirements are organized by the system management functions of the FSIO, *Core Financial System Requirements, January 2006*. Within these sections, the requirements are further organized by Federal requirements and MCC-specific requirements for that function. MCC-specific requirements are organized by the operations in the MCC FMPPs as well as other MCC operations that involve the core financial system. These operations were organized into the FSIO sections in the following manner.

**Exhibit 1. Mapping of MCC Functional to FSIO Functional Areas**

MCC Functional Area	FSIO Functional Area
<b>Budget</b>	
Budget Execution and Funds Control	Section 3.4: Budgetary Resource Management
Budget Formulation	Section 3.4: Budgetary Resource Management
<b>Funds Management</b>	
Authorizing and Recording Commitments and Obligations	Section 3.4: Budgetary Resource Management
Expense Accruals and Accrued Liabilities	Section 3.4: Budgetary Resource Management
<b>Accounting</b>	
Advances	Section 3.4: Budgetary Resource Management
Accounts Payable and Payments	Section 3.5: Payment Management and Receivable Management
Common Payment System	Section 3.5: Payment Management and Receivable Management
Accounts Receivable	Section 3.5: Payment Management and Receivable Management
Reconciliation of Fund Balance with Treasury	Section 3.7: Fund Balance with Treasury Management
Property, Plant, and Equipment	Section 3.9: Asset Management Requirements
Non-Expenditure Transfers	Section 3.7: Fund Balance with Treasury Management
<b>Financial Management</b>	
Financial Reporting, Financial Audits, and Performance and Accountability Reports	Section 3.3: General Ledger Management
<b>Payroll</b>	
Payroll (MCC Federal employees and Personal Service Contractors)	Section 3.5: Payment Management and Receivable Management
<b>Travel</b>	
Temporary Duty Travel and Travel Charge Cards	Section 3.5: Payment Management and Receivable Management

MCC Functional Area	FSIO Functional Area
Relocation to an International Post	Section 3.5: Payment Management and Receivable Management
<b>Compact and 609(g) Financial Management</b>	
Compact Financial Management	Section 3.4: Budgetary Resource Management
609(g) Financial Management	Section 3.4: Budgetary Resource Management
<b>Overseas Operations</b>	
Financial Management of Overseas Operations	Section 3.5: Payment Management and Receivable Management
<b>Procurement</b>	
Contracts and Grants Management	Section 3.8: Acquisition System Requirements

Other Federal requirements are listed below in Section 3.1.1. Federal requirements are updated continuously, and it is the Contractor's responsibility to ensure compliance with all applicable requirements.

## 3.1 CORE FINANCIAL SYSTEM OVERVIEW

### 3.1.1 IFMS Security and Legal Requirements

Along with the following Federal requirements and standards, the Contractor shall have an established system management plan to maintain compliance with all future guidance, such as changes to the FSIO financial management standards and the Common Governmentwide Accounting Classification (CGAC).

#### *Federal Legislation*

- ▶ Cash Management Improvement Act of 1990 (Pub. L. No. 101-453), extended by the Cash Management Improvement Act Amendments of 1992 (Pub. L. No. 102-589)
- ▶ Chief Financial Officers Act of 1990 (Pub. L. No. 101-576)
- ▶ Clinger-Cohen Act of 1996 (Information Technology Management Reform Act, Division E of Pub. L. No. 104-106)
- ▶ Computer Security Act of 1987 (Pub. L. No. 100-235)
- ▶ Debt Collection Improvement Act (DCIA) of 1996 (Pub. L. No. 104-134)
- ▶ Federal Information Security Management Act (FISMA)
- ▶ Federal Financial Management Improvement Act (FFMIA) of 1996 (Pub. L. No. 104-208)
- ▶ Federal Managers' Financial Integrity Act (FMFIA) of 1982 (Pub. L. No. 97-255)

- ▶ Federal Records Act of 1950, as amended (Records Management by Federal Agencies, 44 U.S.C. § 3101 et seq.)
- ▶ Freedom of Information Act and Amendments of 1974 (Pub. L. No. 93-502) (5 U.S.C. § 552)
- ▶ Government Management Reform Act of 1994 (Pub. L. No. 103-356)
- ▶ Government Paperwork Elimination Act of 1998 (Pub. L. No. 105-277)
- ▶ Government Performance and Results Act (GPRA) of 1993 (Pub. L. No. 103-62)
- ▶ Paperwork Reduction Reauthorization Act of 1986 (Pub. L. No. 104-13)
- ▶ Prompt Payment Act of 1982 and Amendments of 1996 (Pub. L. No. 97-177)
- ▶ Rehabilitation Act Amendments of 1998 (Workforce Investment Act) (Pub. L. No. 106-246)
- ▶ Sarbanes-Oxley Act of 2002 (Pub. L. No. 107-204)

#### *U.S. Code*

- ▶ 5 U.S.C. § 552 contains provisions of the Freedom of Information Act.
- ▶ 31 U.S.C. § 1301(a) (the Purpose Statute) requires that monies be expended only for the purposes for which appropriations were made.
- ▶ 31 U.S.C. §§ 1341, 1342, 1349–51, and 1511–19 (jointly referred to as the Antideficiency Act) prohibit obligating more money than an agency has or prior to receiving the funds, accepting voluntary services or monies not specifically allowed by law, and obligating more money than has been appropriated or allotted in a time period.
- ▶ 31 U.S.C. § 1501 (the Recording Statute) requires that an obligation be recorded when, and only when, it is supported by written evidence of a binding agreement (an offer and its acceptance) for goods or services for a purpose authorized in the appropriation.
- ▶ 31 U.S.C. § 1502 (a) (the Bona Fide Needs Statute) requires that obligations against an appropriation be limited to a specific time period and that obligations be charged to the appropriation in force when the obligation is made.
- ▶ 31 U.S.C. §§ 1551–1557 (Closed Accounts subchapter) contains the M-year legislation which requires that all Federal agencies close fixed-year appropriation accounts and cancel any remaining balances by September 30th of the 5th year after the period of availability began.
- ▶ 31 U.S.C. § 3302 (b) (the Miscellaneous Receipts [Deposit Statute]) requires that, except for trust funds and revolving funds, collected monies from any source be deposited in the Treasury as soon as practicable without deduction for any charge or claim.

- ▶ 31 U.S.C. § 3512 requires the head of each executive agency to establish and maintain systems of accounting and internal control designed to provide effective control over, and accountability for, all assets for which the agency is responsible.
- ▶ 44 U.S.C. § 3101 addresses records management within Federal agencies.
- ▶ 5 CFR 1315 is the codification of former OMB Circular A-125, *Prompt Payment*.

#### *Statements of Federal Financial Accounting Standards (SFFAS)*

- ▶ SSFAS 1, Statement of Federal Financial Accounting Concepts
- ▶ SFFAS 3, Accounting for Inventory and Related Property
- ▶ SSFAS 4, Managerial Cost Accounting Concepts and Standards
- ▶ SSFAS 5, Accounting for Liabilities of the Federal Government
- ▶ SFFAS 6, Accounting for Property, Plant, and Equipment
- ▶ SFFAS 7, Accounting for Revenue and Other Financing Sources
- ▶ SSFAS 10, Accounting for Internal Use Software

#### *Office of Management and Budget (OMB) Guidance*

- ▶ OMB Circular A-11, Preparation, Submission, and Execution of the Budget
- ▶ OMB Circular A-25, User Charges
- ▶ OMB Circular A-109, Policies for Acquiring Major Systems
- ▶ OMB Circular A-123, Management's Responsibility for Internal Control
- ▶ OMB Circular A-127, Financial Management Systems
- ▶ OMB Circular A-130, Management of Federal Information Resources
- ▶ OMB Circular A-134, Financial Accounting Principles and Standards
- ▶ OMB Circular A-136, Financial Reporting Requirements

#### *Treasury Financial Manual (TFM)*

- ▶ I TFM-2-3100, Instructions for Disbursing Officers' Reports
- ▶ I TFM-2-3300, Reports of Agencies for which the Treasury Disburses
- ▶ I TFM-2-4000, Federal Agencies' Centralized Trial-Balance System
- ▶ I TFM-2-4100, Debt Management Reports
- ▶ I TFM-6-5000, Administrative Accounting Systems Requirements

- ▶ I TFM-6-8040, Disbursements
- ▶ I TFM-6-8500, Cash Forecasting Requirements

#### *Other Federal Standards, Guidelines, and Regulations*

- ▶ Electronic and Information Technology Accessibility Standards (issued by the Architectural and Transportation Barriers Compliance Board)
- ▶ Federal regulations established by the National Archives and Records Administration (NARA)
- ▶ Federal regulations issued by NIST
- ▶ Rules related to payment formats issued by The Electronic Payments Association (also called NACHA)

### 3.1.2 IFMS Minimum Required Modules and Applications

The IFMS shall, at a minimum, meet FSIO's core system functions, as well as the FSIO acquisition system standards for an automated procurement system, and asset management module requirements. These minimum standard core system functions are detailed in the corresponding sections of this Technical Requirements document. The system functions include the following areas:

- ▶ General Ledger Management – Section 3.3
- ▶ Budgetary Resource Management – Section 3.4
- ▶ Payment Management – Section 3.5
- ▶ Receivable Management – Section 3.5
- ▶ Cost Management – Section 3.6
- ▶ Fund Balance with Treasury – Section 3.7
- ▶ Travel Management – Section 3.5
- ▶ Credit Card/Purchase Card – Section 3.5
- ▶ External and Ad hoc Reporting – Sections 3.1 and 3.2
- ▶ Procurement Management – Section 3.8
- ▶ Asset Management – Section 3.9

### 3.1.3 MCC-Specific Core Financial System Requirements

Most MCC financial and accounting operations are covered by standard Federal financial system management requirements. However, due to MCC's international operations and its MCC Integrated Data Analysis System (MIDAS), MCC has additional, specific requirements for the IFMS system. The areas that require the most system flexibility for MCC operations include its disbursement and payment system, data extraction, application interoperability, Accounting Classification Code (ACC), and Budget Object Classification (BOC) code. These are summarized below but described in greater detail in the MCC-Specific sub-sections of 3.2 – 3.9.

#### *Disbursement and Payment System*

The majority of MCC disbursements and payments are standard. However, there are two major approaches that MCC uses to disburse moneys to recipient countries.

- ▶ *Quarterly Financial Reports (QFRs)*: The majority of payments to recipient countries are currently made through disbursements in monthly tranches, on a quarterly basis. Disbursements are made to support recipient country staff and pay vendors utilized for compact projects. These payments rely on the accuracy of QFRs, which are created by the recipient countries and vetted internally. The unused portions of these monthly tranches accrue interest in the recipient countries' permitted accounts, and for accounting and U.S. Treasury purposes are considered advances. This is discussed in more detail in the Budgetary Resource Management section.
- ▶ *Common Payment System (CPS)*: Some recipient countries receive moneys through the International Treasury Service (ITS) system or the Secure Payment System (SPS). Both systems are administered by the U.S. Treasury's Financial Management Service (FMS). ITS is used when the recipient countries' accountable entities are Non-US banks and SPS is used for accountable entities that are US banks. The two systems will be referred to generically as CPS. The CPS transfers moneys to the recipient countries' permitted accounts when requested by the recipient countries' accountable entities and approved by supporting accounting staff. The IFMS and its accounting personnel shall rely on vendor invoices, batched from the recipient countries, for verification. Prompt Payment Act requirements will be from the perspective of the recipient country. This will require a quicker turnaround period for the Contractor and IFMS system. The initial time period required for payment will start within the recipient country and end when the accountable entities have disbursed the payments to the vendors and other recipients.

MCC also provides moneys to recipient countries under Threshold programs and 609(g) agreements.



- ▶ *Threshold Program:* The Threshold Program is designed to assist countries that are on the “threshold,” meaning they have not yet qualified for compact funding, but have demonstrated a significant commitment to improve their performance on the indicators that qualify countries for compact funding. MCC delegates the management and execution of its Threshold programs to USAID. MCC allocates and transfers funds to USAID via Non-Expenditure Transfers (NETs).
- ▶ *609(g) Funds:* 609(g) funds are budgetary resources used to fund contracts or grants for any eligible country for the purpose of facilitating the development and implementation of the compact between MCC and the recipient country.

To accurately capture the costs in developing and implementing compacts, the MCC requires a cost management module that will match the MCC staff efforts to MCC recipient countries as well as to each unique project within that country. A significant proportion of MCC’s administrative budget is required for extensive international travel during the compact development and implementation stages. These trips usually have multiple segments that must be allocated to separate country costs and projects.

#### *Data Extraction*

Core financial data shall be easily extractable from the IFMS on a daily basis. MCC’s MIDAS system requires current data from the core financial system to meet its operational goals. This issue is discussed in the Technical Requirements section.

#### *Application Interoperability*

Respondents should indicate an overall approach to application integration that takes into account MCC’s existing system and applications. As discussed in Section C-6, there are some MCC systems that shall require full integration with the IFMS. Besides MIDAS, these systems include but are not limited to MCC’s payroll system, the Federal Personnel and Payroll System (FPPS), operated by NBC as well as MCC’s internal human resource management system, Avue. These applications and systems, as well as all other external systems that MCC operations require full integration with the IFMS.

#### *Accounting Classification Code (ACC)*

MCC’s ACC shall require flexibility to allow for the full range of its operations and comply with the future CGAC standards. One of the most important aspects is its reporting requirements to the Organization for Economic Co-operation and Development (OECD).

#### *Budget Object Classification (BOC)*

The IFMS shall allow for BOC and reporting flexibility that facilitates associating costs with MCC countries and each recipient country’s projects.

### *Segmenting Travel Expenses from eTravel System*

The IFMS will be fully integrated with an eTravel system. The IFMS and accounting support staff will validate the accuracy of flight expenses. The IFMS must also allow for the application of flight segments to associated recipient country and project costs.

## **3.2 SYSTEM MANAGEMENT REQUIREMENTS**

The sections below list system requirements and indicate priority levels. As discussed above, requirements are organized by FSIO functional areas and sub-divided by Federal requirements (i.e. FSIO, SFFAS) and MCC-specific requirements, if applicable.

### **3.2.1 FSIO Standards for System Management Requirements**

**Exhibit 2. FSIO Standards for System Management**

<b>FSIO Standards for System Management Function</b>		
<b>Requirement No.</b>	<b>Requirement Description</b>	<b>Priority</b>
SMA 01 – 13	Accounting Classification	Mandatory
SMB 01 – 33	Document and Transaction Control	Mandatory
SMB 34 – 36	Document and Transaction Control	Value-Added
SMC 01 – 12	Document Referencing and Modification	Mandatory
SMC 13 – 15	Document Referencing and Modification	Value-Added
SMD 01 – 07	System-Generated Transactions	Mandatory
SMD 08	System-Generated Transactions	Value-Added
SME 01 – 05	Audit Trails	Mandatory

### **3.2.2 MCC-Specific System Management Requirements**

#### *Financial Reporting – Accounting Classification and Financial Audits*

The IFMS shall provide the necessary flexibility in its accounting classification to allow for accurate reporting of MCC operations and compliance with Federal regulations and requirements. The Contractor shall demonstrate that it has a timeline for compliance with CGAC guidelines.

### Exhibit 3. Financial Reporting – Accounting Classification and Financial Audits

Financial Reporting		
Requirement No.	Requirement Description	Priority
IFMS-1.	<b>ACC:</b> The system shall allow for the flexibility required for MCC's operations, including reporting requirements to the OECD. Search function of financial system and output requirements.	Mandatory
IFMS-2.	<b>ACC:</b> Future system releases shall take the CGAC requirements and all other future accounting classification requirements into consideration.	Mandatory
IFMS-3.	<b>Core financial system shall track commitments and obligations by MCC fund type:</b> The core financial system shall enable tracking of commitments and obligations by type of MCC's accounting code structure: <ul style="list-style-type: none"> <li>• Fiscal Year</li> <li>• Fund Type (Administrative Funds or Program Funds)</li> <li>• Type of Administrative Funds (e.g., contracted goods and services, travel, IT, etc.) or Program Funds (e.g., compact, 609(g), threshold, etc.)</li> <li>• MCC Department</li> <li>• MCC Division</li> <li>• BOC code</li> <li>• OECD code</li> <li>• U.S. Standard General Ledger (USSGL) Account #</li> </ul>	Mandatory
IFMS-4.	<b>Validate account structure:</b> The system shall provide the capability for an automated interface for accounting codes with the core system which validates account structure.	Mandatory
IFMS-5.	<b>Accounting Classification Tables:</b> Add, change, or deactivate elements of the accounting classification structure and define valid Accounting Classification Element (ACE) values without programming changes (e.g., through online table updates).	Mandatory
IFMS-6.	<b>Associate an audit trail through system files:</b> Establish an accurate and comprehensive audit trail from source transaction through general ledger posting.	Mandatory
IFMS-7.	<b>Audit Trails – Logs maintained:</b> The system will maintain system access and error logs to support periodic system audits.	Mandatory
IFMS-8.	<b>Reporting – Audit reports:</b> The system shall produce scheduled and ad-hoc reports on audit items.	Mandatory

## 3.3 GENERAL LEDGER MANAGEMENT REQUIREMENTS

### 3.3.1 FSIO General Ledger Management

General Ledger Management is the central function of the core financial system. All transactions to record financial events must post to the general ledger, regardless of the origin of the transaction. Transactions originating in other systems may post to the general ledger at a summary level, depending on an agency's overall financial management system design and need.

At a minimum, however, summary transactions must post at a level that maintains the accounting classification elements and attributes needed to support central agency reporting.

The general ledger must summarize and maintain account balances at the USSGL account and attribute level. In addition, it must maintain balances by the accounting classification elements established in the System Management function. For example, account balances must be maintained at the internal fund and organization level. An agency might choose to classify financial data at a lower level by establishing general ledger subaccounts or agency-specific accounting classification elements in order to support internal reporting needs or program management performance reporting. The general ledger must maintain account balances at these agency-specific levels, as well.

#### Exhibit 4. FSIO General Ledger Management

FSIO Standards for General Ledger Management Function		
Requirement No.	Requirement Description	Priority
GLA 01 – 10	General Ledger Account Definition	Mandatory
GLB 01 – 07	Transaction Definition	Mandatory
GLC 01 – 07	General Ledger Updating and Editing	Mandatory
GLD 01 – 08	Upward/Downward Spending Adjustment	Mandatory
GLE 01 – 03	General Ledger Analysis and Reconciliation	Mandatory
GLF 01 – 11	Accounting Period Maintenance and Closing	Mandatory
GLF 12	Accounting Period Maintenance and Closing	Value-Added
GLG 13	Financial Reporting	Mandatory

### 3.3.2 MCC-Specific General Ledger Management

#### *Financial Reporting*

All transactional data must be uploaded into a MCC-controlled database, as designated by MIDAS, on a daily basis. Some of the financial data will come directly from international financial entities (either commercial banks operating in foreign countries or state banks). The system and provider must be able to accurately record this information, with appropriate verification, in a timely manner.

Financial reports (quarterly, year-end financial statements, etc.) should be created by the Contractor that manages the accounting personnel and not sub-contracted to another organization. This will ensure the accuracy of the financial reports.

External reports should follow the minimum requirements in Appendix C of the FSIO *Core Financial System Requirements*. The IFMS shall also support ad hoc reporting capabilities, described in further detail below.

Although the following requirements only refer to the Performance and Accountability Report (PAR), the IFMS and accounting provider should be aware of and have plans in place to adapt to the upcoming changes in the PAR. The PAR is currently going through a pilot program, as detailed in the OMB Memo of June 5, 2008, *Continuing the Pilot Program for Alternative Approaches to Performance and Accountability Reporting in FY 2008*. The pilot splits the PAR into three sections, the Agency Financial Report (AFR), the Annual Performance Report (APR), and the “Highlights.”

### Exhibit 5. Financial Reporting

Financial Reporting		
Requirement No.	Requirement Description	Priority
IFMS-9.	<b>Search function of financial system and output requirements:</b> Any appropriate MCC staff member will be able to request information to generate reports directly from the system. This includes current, high level totals on amounts spent on compact projects and/or activities for a designated period (month, quarter, year, year-to-date, etc.). The system must, at a minimum, provide searchable information including total amounts spent by each MCA under a compact agreement, 609(g) agreement, or any other program monies, for a specified period.	Value Added
IFMS-10.	<b>Notification of finalized financial statements:</b> Upon completion of the financial statements, the IFMS will notify appropriate Division of Finance staff that the completed financial statements are available for review.	Mandatory
IFMS-11.	<b>Financial statement database search function:</b> The database storing the financial statements and its components will utilize a search function allowing MCC staff to search and find pertinent information by using any and all of the following: GL title or number, document titles, key words, document source (such as a paid invoice discoverable with an invoice number or vendor name; all documents tied to a BOC; or all documents tied to a country), or other key identifiers that would facilitate a flexible search process.	Mandatory
IFMS-12.	<b>Availability of financial statement components:</b> All components of the financial statements are available to the Division of Finance and other appropriate MCC staff for review and use in reports to internal and external parties.	Mandatory
IFMS-13.	<b>Accessibility and location of financial statements:</b> The financial statements will be stored in a database with restricted access as defined by MCC but available to appropriate MCC staff.	Mandatory

Financial Reporting		
Requirement No.	Requirement Description	Priority
IFMS-14.	<b>Monthly, quarterly and annual financial statement preparation - Corrective action plans:</b> After external auditors review the financial statements, MCC will be able to enter corrective action plans, if necessary, directly into the reviewed financial statements. The corrective action plans may be entered into the financial statements directly but may also be exported to a project plan tracking program (i.e. Microsoft Project).	Mandatory
IFMS-15.	<b>Monthly, quarterly and annual financial statement preparation – Daily update of financial statement report:</b> All changes to the components of the financial statements (the general ledger, assets, liabilities, net position, etc.) are exported to the financial statement report (reviewable by appropriate MCC staff) on a daily basis.	Value-Added
IFMS-16.	<b>Monthly, quarterly and annual financial statement preparation – Output options of financial statements:</b> Output options of the financial statements include printing capabilities; export to data processing or word processing programs (i.e. Microsoft Excel, Word, PDF, etc.); and sorting and summarizing reported data by different components, countries, projects, tasks, activities, BOC, GL line item, vendor, invoice number and any other specification requested by MCC.	Mandatory
IFMS-17.	<b>Monthly, quarterly and annual financial statement preparation – Preparation of complete disclosure and notes:</b> MCC will prepare and complete disclosure and notes to the financial statements template, held in the accessible database. All changes made by MCC staff, will be logged by time, staff member, and will not be able to be deleted from the database.	Mandatory
IFMS-18.	<b>Monthly, quarterly and annual financial statement preparation – Official review process:</b> The IFMS and accounting provider will track all comments issues or raised by MCC on a daily basis. During the official review process of the financial statements, the IFMS will automatically compile the entries made by the accounting provider.	Mandatory
IFMS-19.	<b>Quarterly and annual financial statement preparation – Availability of financial statements for review:</b> The quarterly and annual financial statements, as prepared by the financial service provider, are available for review by the Division of Finance via an active template that tracks and logs all statements, questions, and changes by MCC.	Mandatory
IFMS-20.	<b>Quarterly and annual financial statement – Line items traceable to source document:</b> Each line item in the quarterly and annual financial statements is clearly traceable to its source documents.	Value-Added
IFMS-21.	<b>Calculate trial balance and final trial balances for financial reporting:</b> Calculate monthly, quarterly, and annual trial balances for MCC's financial statement reporting purposes.	Mandatory

## 3.4 BUDGETARY RESOURCE MANAGEMENT REQUIREMENTS

### 3.4.1 FSIO Budgetary Resource Management

To comply with OMB Circular A-11, each agency of the Federal Government is responsible for preparing an agency budget estimate to request funding and for establishing a system for ensuring that it does not obligate or disburse funds in excess of those appropriated or authorized. The Budgetary Resource Management function of the Core financial system is an agency's primary tool for carrying out this responsibility. In addition to supporting the governmentwide policies, the Budgetary Resource Management function must support agency policies on internal funds allocation methods and controls.

An agency will likely have many other systems in addition to the Core financial system that affect budgetary resources. For example, procurement and travel systems generate documents that commit and obligate funds. These and other systems that affect funds availability should access data in and use processes of the Core financial system to verify that funds are available and to update balances. These systems typically access the funds availability editing activity before allowing an obligation to be incurred, such as when entering into a contract. However, in some cases, such as payroll, this may not be practical.

#### Exhibit 6. FSIO Budgetary Resource Management

FSIO Budgetary Resource Management		
Requirement No.	Requirement Description	Priority
FMA 01 – 04	Budget Planning Process	Mandatory
FMA 05 – 10	Budget Planning Process	Value-Added
FMB 01 – 20	Budget Preparation Process	Mandatory
FMC 01 – 13	Budget Authority Process	Mandatory
FMD 01 – 07	Funds Distribution Process	Mandatory
FMD 08 – 13	Funds Distribution Process	Value-Added
FME 01 – 18	Funds Control Process – Funds Availability	Mandatory
FME 19 – 20	Funds Control Process – Commitments	Mandatory
FME 21 – 28	Funds Control Process – Obligations	Mandatory
FME 29 – 31	Funds Control Process – Advances	Mandatory
FME 32	Funds Control Process – General	Value-Added
FMF 01 – 08	Funds Status Process	Mandatory
FMF 09 – 11	Funds Status Process	Value-Added

### 3.4.2 MCC-Specific Budgetary Resource Management

#### *Budget Formulation*

MCC's annual budget request and Congressional Budget Justification (CBJ) are based on cost estimates that have been thoroughly reviewed and deemed reasonable and appropriate by MCC's CEO, CFO, DCFO, Senior Budget Officer and other responsible MCC officials. The MCC budget formulation process is a performance-based, result-oriented approach to formulating budget requests. MCC provides in its budget request all relevant and approved data and narrative support from the internal budget call (administrative budget request) and program requests pursuant to OMB Circular A-11, Part 2, Section 25, *Preparation and Submission of Budget Estimates*.

Each of the following sections of the budget request includes the full cost of programs and administrative operations in the context of MCC's strategic goals:

- ▶ **Tab A – MCC Budget Request Summary by the CEO** – includes a broad statement of MCC's primary strategic goal and the programs and resources required to achieve it; indicates any significant proposed differences from the prior year's budget request.
- ▶ **Tab B – MCC Compact Programs Narrative** – includes descriptions of the likely number of new Compacts for the budget request year and any changes to how compacts are developed and implemented.
- ▶ **Tab C – MCC Compact Funding Projections** – provides information on the number of signed (or yet to be signed) compacts through the budget request year. This includes both the actual funding amounts committed for current Compacts and requested amounts for expected new Compacts through the budget request year.
- ▶ **Tab D – Potential Countries** – table indicating the number of countries that meet MCC's eligibility criteria and could potentially be picked by the Board of Directors to receive compact funding for the budget year request.
- ▶ **Tab E – Threshold Program** – describes MCC's requested funding levels for new Threshold program activities in the budget request year; also describes current Threshold program funding levels and activities, and Threshold-eligible countries.
- ▶ **Tab F – Administrative Budget Narrative** – describes and justifies budget request for salaries and benefits, contracted services, information technology, rent, overseas operations, travel and other administrative expenses.
- ▶ **Tab G – Administrative Budget Projections** – this section provides a breakdown of estimated administrative expenses for the current fiscal year, projected estimates for the next fiscal year, and requested estimates for the budget request year.



- ▶ **Tab H – Office of Inspector General (OIG) Request** – USAID’s OIG prepares its annual budget request for audit activities of MCC.

The Deputy VP and VP for Administration and Finance review and clear the budget request to ensure the data and narrative justifications correspond, fall within the CEO’s overall budget plan and adequately support MCC’s strategic goals. The IFMS and accounting personnel must support this process with a system that meets the requirements, listed below.

### Exhibit 7. Budget Formulation

Budget Formulation		
Requirement No.	Requirement Description	Priority
IFMS-22.	<b>Formulation and comparison of multiple budget formulation scenarios:</b> The budget module shall produce, compare, and store multiple budget formulation projections/scenarios for each fiscal year.	Value Added
IFMS-23.	<b>CBJ:</b> The IFMS must allow for multiple users with controlled and traceable access to the budget request, enhancing MCC's creation and submittal of the CBJ.	Mandatory
IFMS-24.	<b>President’s Budget Request:</b> The advanced system should provide full integration with the OMB MAX Budget System, allowing for entry into the President's Budget Request.	Value Added
IFMS-25.	<b>Passback:</b> The budgetary version control will allow for traceable revisions, which will improve the efficiency of the passback process.	Mandatory
IFMS-26.	<b>Budget Request to OMB and OMB Hearings:</b> The advanced system must allow for easily manageable data for entry into the OMB Budget Request, preparation for OMB hearings, and comply with the OMB Budget Request requirements.	Mandatory
IFMS-27.	<b>Budget Request to OMB and OMB Hearings:</b> The system must be in compliance with all applicable Federal requirements related to budget formulation as issued by OMB circular A-11, all other OMB circulars related to budget formulation, GAO, IG, the Congress, and other regulatory bodies.	Mandatory
IFMS-28.	<b>Internal Budget Call and Budget Request Formulation:</b> The advanced system will provide Full-Time Equivalent and dollar controls by program, provide version control, and track all comments made in each version.	Mandatory
IFMS-29.	<b>Internal Budget Call and Budget Request Formulation:</b> The budget formulation process involves direct input from employees across the agency. Therefore the system must provide an interactive, traceable process of budgetary discussions between the various points of contact throughout the agency.	Value-Added
IFMS-30.	<b>Budget Formulation and Planning:</b> At a minimum, the system will support an integrated budget formulation and planning process involving the Senior Budget Officer and each department's budget liaison.	Mandatory
IFMS-31.	<b>Operations – Business rule changes:</b> The system shall allow changes to business logic and processes using configuration rather than programming tools.	Mandatory
IFMS-32.	<b>Reporting – Control tables:</b> The system shall generate control tables by organization at specified levels of detail.	Mandatory

Budget Formulation		
Requirement No.	Requirement Description	Priority
IFMS-33.	<b>Reporting – Report scheduling:</b> The system shall schedule the running and distribution of reports based on user-defined parameters.	Mandatory
IFMS-34.	<b>Reporting – Report dis-aggregation:</b> The system shall allow for large reports to be broken down into component parts.	Mandatory
IFMS-35.	<b>Reporting – Reporting tools:</b> The system shall have tools to create reports and queries. Examples are: Wizards, Drag and Drop, Drill-Down, Drill-Across, and Slice and Dice.	Mandatory
IFMS-36.	<b>Reporting – Retrieve all elements:</b> The system shall allow users to retrieve all data elements when building a report.	Mandatory
IFMS-37.	<b>Reporting – Filtering:</b> The system shall permit filtering of data for display in a standard report.	Mandatory
IFMS-38.	<b>Reporting – Audit items:</b> The system shall allow an administrator to specify what budget elements will be tracked.	Mandatory
IFMS-39.	<b>Reporting – Audit record:</b> The system shall produce an audit record each time a budget document is submitted.	Mandatory
IFMS-40.	<b>Reporting – Dashboard:</b> The system shall have the ability to create reports or dashboards containing report objects. Examples are: Charts, Cross-Tabs, Lists, Images, Logos, and Live Imbedded Applications.	Mandatory
IFMS-41.	<b>Reporting – Sort Function:</b> The system shall support user-defined sort order.	Mandatory
IFMS-42.	<b>Reporting – Third-Party tools:</b> The system shall interoperate with third party reporting tools (For example: Business Objects, Informatica, Cognos, etc.)	Mandatory
IFMS-43.	<b>Security – Log-In Restriction:</b> The system shall allow an administrator to restrict access to budgetary data until an internal approval process is properly completed.	Mandatory
IFMS-44.	<b>System performance – Progress indicators:</b> The system will present progress indicators when appropriate.	Mandatory
IFMS-45.	<b>System performance:</b> The system shall respond within 5 seconds for all user actions except the following: calculations, downloads, formatting for print preview, data intensive operations, and interfaces with external systems.	Mandatory
IFMS-46.	<b>Workflow Messaging – Navigating Backwards:</b> The system shall enable the user to navigate backwards to any previous point in the workflow.	Mandatory
IFMS-47.	<b>Workflow Messaging – Multiple Approval Levels:</b> The system shall permit multiple levels of approval to a single user with approval by MCC.	Mandatory
IFMS-48.	<b>Workflow Messaging – Audit Trail for Changes:</b> The system shall maintain a history of changes to tracked elements. Examples are old values, new values, user IDs, etc.	Mandatory
IFMS-49.	<b>Workflow Messaging – Data Validation, Integrity and Quality:</b> The system and accounting provider shall support validation, integrity and quality of imported data.	Mandatory
IFMS-50.	<b>Workflow Messaging – Historical Data:</b> The system shall have the ability to auto-archive historical data based on user-defined rules.	Mandatory

Budget Formulation		
Requirement No.	Requirement Description	Priority
IFMS-51.	<b>Workflow Messaging – Historical Data:</b> The system shall have the ability to archive historical data.	Mandatory
IFMS-52.	<b>Workflow Messaging – Data Dictionary:</b> The system shall use a common, integrated, fully attributed data dictionary that allows for the documentation of specific use of fields and values.	Mandatory
IFMS-53.	<b>Workflow Messaging – Eliminating Duplicate Input:</b> The system shall maintain data in such a way, and in such a format so as to eliminate duplicate input and storage of information.	Mandatory
IFMS-54.	<b>Workflow Messaging – Bookmark Capability:</b> The system shall enable the user to return to where that user left off in the workflow process.	Mandatory
IFMS-55.	<b>Workflow Messaging – Tasks and Deadlines:</b> The system shall have the ability to establish workflow tasks and deadlines.	Mandatory
IFMS-56.	<b>Workflow Messaging – User-Lockout:</b> The system will have the ability to lock out specific users during specified workflow states.	Mandatory
IFMS-57.	<b>Workflow Messaging – Signatures in Audit Trail:</b> The system shall include electronic signature approval in the audit trail associated with the data approval.	Mandatory
IFMS-58.	<b>Workflow Messaging – Signature Controls:</b> The system shall require that data elements serving as an electronic signature are unique to each authorizing official.	Mandatory
IFMS-59.	<b>Workflow Messaging – View Approval History:</b> The system shall support user viewing of approval history.	Mandatory
IFMS-60.	<b>Workflow Messaging – Signature Format:</b> The system shall display any authorizing or certifying signature fields immediately following the last data field requiring an approval signature.	Mandatory
IFMS-61.	<b>Workflow Messaging – Approval Controls:</b> The system shall prevent a user with multiple levels of approval authority from applying more than one level of approval to a given document.	Mandatory
IFMS-62.	<b>Workflow Messaging – Concurrent Review:</b> The system shall support concurrent review by multiple individuals.	Mandatory
IFMS-63.	<b>Workflow Messaging – Batch Job Scheduling:</b> The system shall support batch job scheduling by various criteria; examples are: Calendar, Clock, Interval, Condition, and Event-based.	Mandatory
IFMS-64.	<b>Workflow Messaging – Approval Authority for any Section:</b> The system shall have approval authority assignable to any budget submission subsection.	Mandatory
IFMS-65.	<b>Workflow Messaging – Approval Authority at Any Level:</b> The system shall have approval authority at any level of the budget structure.	Mandatory
IFMS-66.	<b>Workflow Messaging – Assignment-Approval Authority:</b> The system shall support the assignment of Approval Authority.	Mandatory
IFMS-67.	<b>Workflow Messaging – Flexible Assignments:</b> The system shall support flexible assignment of actions.	Mandatory
IFMS-68.	<b>Workflow Messaging – Audit Trail for Changes:</b> The system shall record for audit purposes, and changes to products within the workflow.	Mandatory

Budget Formulation		
Requirement No.	Requirement Description	Priority
IFMS-69.	<b>Workflow Messaging – Recipient Designation:</b> The system will have the ability to designate workflow recipients.	Mandatory
IFMS-70.	<b>Workflow Messaging – Alerts for Deviations:</b> The system shall have alerts for review and approval when deviations from guidance occur.	Mandatory
IFMS-71.	<b>Workflow Messaging – Document Routing:</b> - The system shall support the routing of documents.	Mandatory
IFMS-72.	<b>Workflow Messaging – Internal/External Routing:</b> The system shall support routing and notifications that target internal and external destinations.	Mandatory
IFMS-73.	<b>Workflow Messaging – On-line Review Capability:</b> The system shall permit on-line reviews and approvals.	Mandatory
IFMS-74.	<b>Workflow Messaging – Acknowledgement of Guidance:</b> The system shall require and record receipt of user acknowledgement of MCC Budget Policy and Budget System Guidance before the user can act on the guidance.	Mandatory
IFMS-75.	<b>Workflow Messaging – Review and Approvals:</b> The system shall support workflow for review/approval processes. Examples of reviewable processes are: budget submissions, Congressional testimony; fact sheets, program budget decisions; issue papers; Congressional questions and answers, and other supporting documentation.	Mandatory
IFMS-76.	<b>Workflow Messaging – Lockdown of the Budget:</b> The system shall have the ability to lockdown the Finalized MCC Budget and its associated documents. Examples such documents are: Congressional testimony; fact sheets, program budget decisions; issue papers; Congressional questions and answers, and other supporting documentation.	Mandatory
IFMS-77.	<b>Workflow Messaging – Status Reports:</b> The system shall support status queries and reports on items in the workflow.	Mandatory

### *Budget Execution and Funds Control*

The IFMS and accounting personnel must be able to aid the MCC in ensuring that MCC's budget is executed in accordance with applicable Federal laws and regulations. The IFMS shall allow for proper sub-divisions of appropriated and apportioned funds as required by MCC operations. The IFMS and accounting personnel will also help establish a system of effective fund controls to limit the occurrence of statutory and administrative funds control violations during the budget execution process. Some of the MCC-specific budget execution and funds control issues are discussed below.

**Allotments:** MCC receives appropriations from the Foreign Operations, Export Financing and Related Program Appropriations Acts enacted by Congress on an annual basis. Each appropriation outlines the total annual funding for MCC and the amount of the total appropriation that will be available for administrative expenses. MCC receives no-year funding from Congress—such funds are available for obligation without fiscal year limitation and remain

available until expended. In addition, Congress identifies funds that are available for representation expenses.

**Allocations:** Section 619(b) of the Millennium Challenge Act of 2003 authorizes MCC to delegate its authority to obligate and outlay funds to another agency, for the purposes of administering a program for which appropriations have been made to MCC. For example, MCC allocates program funds to USAID to administer the Threshold program.

#### **Apportionment and Reapportionment Schedule SF-132, Categories A and B:**

- ▶ *Category A - Apportionment and Reapportionment Schedule SF-132:* Category A of MCC's SF-132 includes MCC's apportionment for administrative expenses. These funds are apportioned on a quarterly basis, up to MCC's appropriation act limit. The Senior Budget Officer submits SF-132s to OMB on a quarterly basis for administrative funds apportionments.
- ▶ *Category B – Apportionment and Reapportionment Schedule SF-132:* MCC's Senior Budget Officer submits all requests for Category B apportionments, identifying amounts for:
  - **Compact programs by country:** The total amount of assistance provided to all lower middle income Compact countries may not exceed 25 percent of the total amount of assistance provided to all countries in a particular fiscal year, under section 605 of the Millennium Challenge Act of 2003.
  - **609(g) funding by country:** Section 609(g) of the Millennium Challenge Act authorizes MCC to provide assistance to eligible countries for the purpose of facilitating the development and implementation of a Compact.
  - **Due Diligence:** Funds apportioned by OMB and used by MCC to cover costs to assess Compact proposals, as well as costs incurred by MCC in providing oversight and monitoring of Compacts being developed and implemented by eligible countries.
  - **Threshold programs by funding year or country:** Up to 10 percent of the total amount appropriated in a given fiscal year may be made available to carry out the purposes of section 616 of the Act (assistance to certain candidate countries under Threshold Program).
  - **USAID's OIG:** Up to the Congressional limit of \$5,000,000 established in MCC's annual appropriation.

## Exhibit 8. Budget Execution and Funds Control

Budget Execution and Funds Control		
Requirement No.	Requirement Description	Priority
IFMS-78.	<b>Intra-governmental Payment and Collection (IPAC) Reconciliation:</b> The core financial system shall enable daily electronic upload/reconciliation of IPAC transactions.	Mandatory
IFMS-79.	<b>Accounting code edit checks:</b> Budget module shall support and be configured to provide edit checks so that only specified MCC departments/divisions can use designated accounting codes.	Value Added
IFMS-80.	<b>System Alerts for Allotment and Allowance Funds Requests:</b> The core financial system must generate automatic/electronic alerts or rejections upon requests for funds in excess of established MCC budgetary allotments and allowances. The budget module should alert the designated department, division officials, and resident country directors/recipient countries for funds request exceeding allowable tolerances.	Mandatory
IFMS-81.	<b>BOC Codes:</b> The budget module shall produce summary reports by MCC BOC code on a weekly, monthly, quarterly and annual basis.	Value Added
IFMS-82.	<b>Budget module accessibility:</b> The systems administrator shall possess the ability to update access roles and levels of access (e.g., input access, read-only access, authorization access, etc.) as needed.	Value Added
IFMS-83.	<b>Reconciliation of expenditures to budget:</b> Budget module in the MCC IFMS system shall enable timely and accurate maintenance and reporting/comparison of actual expenditures against budgeted amounts by appropriations, apportionments, allotments and allowances (by budget year, fiscal year of obligation, department and division).	Value Added
IFMS-84.	<b>Reporting on Funds Control Violations (Anti-Deficiency):</b> The system must provide strict controls and notification of approaching funds control violations. For example, the system should alert the appropriate manager of an approaching violation, such as: 2 months into a fiscal year, 70 percent of a particular department/division personnel salaries budget has been expended.	Mandatory
IFMS-85.	<b>Apportionment and Reapportionment Schedule SF-132 and Report on Budget Execution and Budgetary Resources SF-133:</b> The data from forms SF-132 and SF-133 will be able to post directly to the core financial system and will not require manual data entry to post the data.	Mandatory
IFMS-86.	<b>Apportionment and Reapportionment Schedule SF-132 and Report on Budget Execution and Budgetary Resources SF-133:</b> The Contractor will configure budget execution reports to the specifications provided by the MCC budget office during the system lifecycle development phase. The reports must be able to be systemically produced without manual manipulation.	Mandatory
IFMS-87.	<b>Apportionment and Reapportionment Schedule SF-132 and Report on Budget Execution and Budgetary Resources SF-133:</b> Budget execution reports will be available, either through the core financial system or a separate data warehouse, as the agency determines. User IDs will determine level of access to various budget execution reports.	Mandatory

### *Authorizing and Recording Commitments and Obligations*

The IFMS and accounting personnel shall follow MCC's policies, as well as all applicable Federal regulations and guidance, to accurately record obligations and de-obligations in the IFMS upon receipt of authorized documentation. The IFMS and accounting personnel must ensure that funds are available prior to incurring commitments and obligations.

For applicable MCC program and administrative funds, authorized MCC Division of Finance and/or IFMS accounting personnel record commitments in the core financial system in advance of executing a binding agreement or recording obligations; the amount to be recorded as a commitment is the estimated procurement or other costs set forth in the applicable commitment document (e.g. requisition).

MCC only records commitment against appropriated and apportioned funds, the Division of Finance, along with the IFMS and accounting personnel, ensure the availability of funds in MCC's apportionment accounts prior to recording commitments in the core financial system.

The IFMS and accounting personnel must also assist in the review and de-obligation of unliquidated obligations, the 1311 Review of Open Obligations, for administrative funds, due diligence, 609(g) and audit funds on a quarterly basis. IFMS shall also allow for automatic de-obligation of unliquidated obligations on certain administrative funds, such as funds obligated to cover Permanent Change of Station (PCS) vouchers. The IFMS and accounting personnel shall follow all other MCC guidelines for authorizing and recording commitments and obligations, including external reporting requirements (Department of Treasury Certification and Year-end Closing Statement to Treasury), and NARA standard records retention.

### **Exhibit 9. Authorizing and Recording Commitments and Obligations**

<b>Authorizing and Recording Commitments and Obligations</b>		
<b>Requirement No.</b>	<b>Requirement Description</b>	<b>Priority</b>
IFMS-88.	<b>Core financial system shall generate end of quarter obligation reports:</b> Core financial system shall produce accurate quarterly and year-end reports of all committed and obligated balances to enable MCC's quarterly 1311 review of open obligations and year-end review of open obligations for administrative funds, Due Diligence, 609g, audit and any other appropriated/apportioned MCC funds. (31 U.S.C. 1501 A)	Mandatory
IFMS-89.	<b>Automatic roll-over of MCC Administrative Funds to Program Funds at fiscal year end:</b> The core financial system shall automatically roll-over any unobligated MCC administrative funds to MCC's program funds budget at the end of each fiscal year.	Value-Added



Authorizing and Recording Commitments and Obligations		
Requirement No.	Requirement Description	Priority
IFMS-90.	<b>Year-End Closing Statement to Treasury on Open Obligations:</b> The core financial system shall be configured to produce reports at fiscal year-end that break out MCC's unpaid obligations by undelivered orders and accounts payable, reflecting the inventory of unpaid obligations on both an accrued and cash basis. (31 U.S.C. 1501 a)	Mandatory
IFMS-91.	<b>Import State Department Consolidated Overseas Accountability Support Toolbox (COAST) file data:</b> The core financial system shall import financial data from the Department of State's COAST system, which is used to incur obligations and expenditures citing MCC's allotted funds for each U.S. Embassy where MCC has a presence.	Value-Added
IFMS-92.	<b>Import travel authorization data from travel system for recording commitments and obligations:</b> The core financial system shall be configured to import travel authorization data from the supporting eTravel system in order to record travel commitments and obligations.	Value-Added
IFMS-93.	<b>Associating commitment and obligating documents:</b> Associate all obligations posted to the general ledger with corresponding authorization/commitment and supporting documents, such as action memos, requisitions and contracts, among others.	Mandatory
IFMS-94.	<p><b>System recognition of certain documentary evidence prior to recording an obligation:</b> System must recognize the following types of documentary evidence prior to a user entering/recording an obligation of appropriated and apportioned MCC funds in the core financial system (i.e., the system must prevent a user from obligating MCC appropriated and apportioned funds in the core financial system when the entry is not tagged or linked to one of the following types of documentary evidence):</p> <ul style="list-style-type: none"> <li>• Written binding agreement between MCC and another person or agency</li> <li>• Order required by law to be placed with a federal agency</li> <li>• Order issued under a law authorizing purchases without advertising under certain conditions</li> <li>• Grant or subsidy payable</li> <li>• Compact or other MCC agreement</li> <li>• A liability resulting from pending litigation</li> <li>• Employment or services of persons</li> <li>• Expenses of authorized travel (under law)</li> <li>• Services provided by public utilities</li> <li>• Other legal liabilities of the government citing an available appropriation or fund</li> </ul>	Mandatory
IFMS-95.	<b>Prevent system users from exceeding MCC budgetary allocations:</b> System shall prevent commitments and obligations from exceeding budgetary allocations established by MCC departments.	Mandatory
IFMS-96.	<b>Linking and referencing option years on same contract:</b> System shall enable option years on the same contract to be linked and referenced to each other in order to track and monitor total contract commitments and obligations.	Value Added



Authorizing and Recording Commitments and Obligations		
Requirement No.	Requirement Description	Priority
IFMS-97.	<b>System checks and ensures funds are appropriated and apportioned prior to recording commitments and obligations:</b> System checks and ensures that appropriations and apportionments are available prior to allowing users to record each commitment and obligation in the core financial system. System prevents the recordation of commitments and obligations in the core financial system without availability of appropriated and apportioned funds.	Mandatory
IFMS-98.	<b>System shall generate reports to support MCC's Department of Treasury Year-End Certification:</b> The core financial system shall generate reports that sufficiently support MCC's annual year-end Department of Treasury Certification that all existing obligations and expenditures during the year were supported by proper obligation of funds and that obligations were supported by proper/authorized documentation. (31 U.S. C. 1501 a)	Mandatory
IFMS-99.	<b>1311 Review and De-obligation of Unliquidated Obligation:</b> The core financial system shall generate quarterly reports that accurately show MCC's total obligations and obligated but unexpended (unliquidated obligations) in MCC's allotment and allowance budget categories. The reports shall be designed to enable the quarterly 1311 Review of Open Obligations for administrative funds, due diligence, 609(g), audit and other types of MCC funds.	Mandatory

### *Compacts and 609(g) Funds Distribution and Control*

This area is described in the *Budget Formulation* and *Budget Execution and Funds Control* sub-sections, above. The following table is a list of the technical requirements for the IFMS.

### **Exhibit 10. Compact and 609(g) Funds Distribution and Control**

Compact and 609(g) Funds Distribution and Control		
Requirement No.	Requirement Description	Priority
IFMS-100.	<b>Commitment of compact Funds:</b> Processes a commitment for the total amount of a compact after the compact is signed.	Mandatory
IFMS-101.	<b>Obligating funds when the compact is signed:</b> Process an obligation for the total amount of a compact after the compact enters into force. Compact signing is a commitment of funds, while compact entry-into-force constitutes a valid obligation.	Mandatory
IFMS-102.	<b>Compact funds verified against apportioned funds:</b> Prior to committing compact and 609(g) funds, the IFMS checks and verifies funds availability of appropriated and apportioned funds.	Mandatory
IFMS-103.	<b>Apportionment of compact Funds:</b> The system must be able to import data from form SF-132, upon receipt from MCC's Division of Finance.	Mandatory
IFMS-104.	<b>Compact reconciliation:</b> Reconciles the MCAs' QFRs by recording re-disbursements to program/project level in the MCC core financial system. Re-disbursements are defined in this RFP Section C Appendix 2.	Mandatory

Compact and 609(g) Funds Distribution and Control		
Requirement No.	Requirement Description	Priority
IFMS-105.	<b>Compact disbursements:</b> Records all monthly compact and 609(g) monthly disbursements to the MCA accounts (recipient countries).	Mandatory
IFMS-106.	<b>Compact disbursement process:</b> Disburses monthly compact and 609(g) payments to an MCA permitted account based upon MCC approval of both the QFR and the corresponding Disbursement Report.	Mandatory
IFMS-107.	<b>Import the Disbursement Report:</b> The core financial system must be able to import the necessary data from the Disbursement Report prepared by the recipient country and reviewed and approved by MCC. The Disbursement report is part of the QFR, which is defined in this RFP Section C, Appendix 2.	Mandatory
IFMS-108.	<b>Compact disbursement reconciliation:</b> Reconciles the balances of unspent funds reported manually on the recipient countries' QFRs with unspent disbursements as reported in the core financial system supporting MCC. Unspent disbursements are compact funds that have been obligated and disbursed to an MCA recipient country account and have not yet been paid to vendors for actual work performed under a compact.	Mandatory
IFMS-109.	<b>Compact interest reconciliation:</b> Capture and reconcile the interest to be returned to the U.S. Treasury for each quarter. Interest should be calculated based on the balance of funds available at the end of the fiscal quarter that had been advanced by MCC to MCA compact countries.	Mandatory

### *Advances under Compacts and 609(g) Agreements*

Compact countries that do not use CPS receive disbursements from MCC in monthly tranches, on a quarterly basis. The funds that are not utilized immediately by the compact projects are held in permitted accounts and considered advances. The fiscal agent and accountable entity must accurately track, record and wire the interest accrued on the compact funds, to the U.S. Treasury, on a quarterly basis. The funds are held in U.S. dollar-denominated interest bearing accounts. The fiscal agent wires the interest accrued to the U.S. Treasury, via the service provider controlled custodial account, on a quarterly basis. The service provider must monitor the transmittals of interest on permitted accounts from the fiscal agent to the Federal credit union and ensure that the credit memorandum received from Treasury, created upon completion of the wire transfer, matches the information in the QFRs.

MCC receives QFRs from each compact country's fiscal agent via direct entry into the MIDAS system, on a quarterly basis. Each QFR details how the previous disbursement was spent, the amount of interest accrued on the funds, in U.S. dollars, and other pertinent information in order to receive future requested disbursements. QFRs are completed and transmitted for approval to MCC stakeholders, on a quarterly basis regardless of whether the fiscal agent requests further disbursements.

MCC departments review the data within QFRs to ensure that the compact projects utilize the funds and that the requested disbursements are necessary. These reports also contain, in part, the reported interest accrued and the amount deposited in the fund balance with Treasury. Although the service provider will not be responsible for the distribution of QFRs for approval throughout MCC, the system and the provider will have to interface with MIDAS to receive the necessary information.

### **Exhibit 11. Advances under Compacts and 609(g) Agreements Requirements**

<b>Advances under Compacts and 609(g) Agreements Requirements</b>		
<b>Requirement No.</b>	<b>Requirement Description</b>	<b>Priority</b>
IFMS-110.	The Contractor, with MCC's input, must ensure that accurate compact disbursements are made on a monthly basis.	Mandatory
IFMS-111.	The Contractor monitors the custodial account for timely (quarterly) remittances on accrued interest in the permitted accounts and ensures that these funds are accurate and wired to the Treasury's Federal credit union on a timely basis.	Mandatory
IFMS-112.	The Contractor and system will track and record the advances, interest accrued, and remitted directly into the core financial system.	Mandatory
IFMS-113.	The Contractor must review the amount of interest accrued in each permitted account, as reported by the fiscal agent in the QFR and compare this amount to the amount recorded by the Federal credit union in the retained deposit slip.	Mandatory
IFMS-114.	The amount of interest accrued in permitted accounts is compiled in the core financial system from each applicable fiscal agent. These amounts are entered directly from the QFR into the core financial system by the Contractor.	Mandatory
IFMS-115.	The core financial system records interest received and the financial service provider retains the credit memorandum upon completion of the remittance of interest accrued from each permitted account. The transaction is traceable to the retained credit memorandum.	Mandatory
IFMS-116.	The system and/or provider notifies MCC upon receipt of each credit memorandum (deposit slip) received from Treasury upon completed wire transfer.	Mandatory

### *Advances under Interagency Agreements (IAAs)*

MCC uses the Treasury's IPAC system to process interagency transactions. Some federal agencies may withdraw funds (advances) from MCC via the IPAC system for costs that will be incurred in the near future when providing goods or services to MCC.

**Exhibit 12. Advances under Interagency Agreements (IAAs)**

Advances under Interagency Agreements		
Requirement No.	Requirement Description	Priority
IFMS-117.	The Contractor monitors the IPAC transactions and accurately records the transactions in the financial management system.	Mandatory
IFMS-118.	The Contractor, as advised by the appropriate MCC Contracting Officer Technical Representative (COTR), may process chargebacks through the IPAC system, if necessary.	Mandatory

***Expense Accruals – Credit Card Processing and General***

The IFMS and accounting personnel shall record expense accruals from MCC operations in the MCC general ledger accounts to ensure timely and reliable financial reporting in accordance with OMB Circular A-136, and other relevant Federal regulations and standards. The IFMS and/or accounting personnel must coordinate with and obtain estimates for expense accruals arising from contract services, such as inter-agency agreements, contracts, lease agreements, personal service contracts, task orders, select 609(g) agreements, and other procurement documents with vendors or suppliers. The IFMS and accounting personnel must accurately account for expense accruals from MCC operations, such as: travel, charge cards, payroll, imputed costs, annual leave, and actuarial Federal Employees' Compensation Act (FECA) liability.

**Exhibit 13. Expense Accruals – Credit Card Processing and General**

Expense Accruals – Credit Card Processing and General		
Requirement No.	Requirement Description	Priority
IFMS-119.	<b>Approval and entry of purchase card accrual data:</b> Once approves the purchase card accrual estimates in the financial management system, the financial service provider is notified and the data is imported into the core financial system.	Mandatory
IFMS-120.	<b>Reconciliation of web-based credit card system on Information and Purchase Card Logs:</b> Once the data from the purchase card logs and the web-based credit card system are imported into the financial management system, appropriate MCC staff are notified and may begin reconciliation and review of the statements and logs.	Mandatory
IFMS-121.	<b>Integration of the web-based credit card system:</b> The web-based credit card system information must be imported to the financial management system on a daily, weekly and monthly basis.	Mandatory
IFMS-122.	<b>Notification of purchase card log entry:</b> Once the purchase card log data is entered, the system notifies appropriate MCC staff.	Mandatory

Expense Accruals – Credit Card Processing and General		
Requirement No.	Requirement Description	Priority
IFMS-123.	<b>Import of purchase card logs:</b> Data from purchase card logs, maintained by all MCC purchase card holders, are imported directly into the financial management system on a daily, weekly and monthly basis.	Mandatory
IFMS-124.	<b>Purchase card log entry:</b> Data from purchase card logs, maintained by each MCC purchase card holder, are entered directly into the financial management system by the MCC purchase card holders.	Value Added
IFMS-125.	<b>Entry of expense accrual calculations:</b> After review by the financial service provider the expense accrual data is exported directly into the core financials.	Mandatory
IFMS-126.	<b>Expense accrual calculations:</b> The financial management system, along with the financial service provider, will ensure that the total recorded disbursements and accruals are less than or equal to the summary obligation amount.	Mandatory
IFMS-127.	<b>Expense accrual estimate approval:</b> After the expense accrual estimates are approved by appropriate members of MCC, the COTR expense accrual estimate database will be available for review by the financial service provider within the financial management system.	Mandatory
IFMS-128.	<b>Expense accrual calculations:</b> The financial system ensures that estimated expense accruals for each contract agreement is less than or equal to the related obligations.	Value Added
IFMS-129.	<b>COTR expense accrual consolidated report:</b> Upon approval by the MCC staff of the COTR-entered expense accrual estimate, the system will compile the expense accrual estimates into a consolidated report.	Mandatory
IFMS-130.	<b>Access to COTR reports:</b> COTRs must be able to access the COTR reports directly from the system. Review of COTR reports by COTRs must be traceable.	Mandatory
IFMS-131.	<b>COTR accrual entry:</b> COTR accrual information shall be entered into an accessible database by each COTR. This expense accrual estimate information will be accessible by appropriate MCC staff for review, revision and approval. Reviews, comments and revisions by MCC staff will be logged and traceable by the system.	Value Added
IFMS-132.	<b>COTR report generation:</b> The system must generate COTR reports for use by Division of Finance staff.	Mandatory

### *Accrued Liabilities – QFR*

MCC recognizes accrued liabilities when:

- ▶ MCC has a vested interest in property, whether the property is delivered or MCC has received documented notification that the property is in transit. MCC recognizes a liability for the unpaid amount of the property. At the end of a financial reporting period, the amounts owed, but unbilled, must be estimated by the appropriate MCC COTR(s) using relevant documentation and information.
- ▶ MCC has incurred interest expense (such as late payment interest) and the amount is unpaid and owed to others at the end of a financial reporting period.

- ▶ MCC has incurred other miscellaneous expenses which are unbilled and unpaid at the end of a financial reporting period.
- ▶ MCC owes employees for salaries, wages, and benefits that have been earned but are unpaid.

The FSP records accrued liabilities in the core financial system in accordance with the USSGL. Information on incurred interest expense relies on the reporting of fiscal agents of recipient countries that do not utilize CPS. Payments to these recipient countries are made through disbursements in monthly tranches, on a quarterly basis. Disbursements are made to support recipient country staff and pay vendors utilized for compact projects. As these disbursements accrue interest, they are subject to U.S. Treasury guidelines and reporting standards for accrued interest on U.S. moneys. As part of the Compact and 609(g) agreement reporting requirements, the Division of Finance reviews accrual estimates reported in the QFR and submits to the service provider for recording in the core financial system. In addition, the Division of Finance determines whether supplemental accrual estimating processes in the preparation for the fiscal year-end close-out are required. Much of this reporting will be conducted through MCC MIDAS system, as QFR data is entered directly into MIDAS by the recipient country agents. IFMS shall interface with MIDAS to record this information and allow it to be reviewed by accounting personnel.

The CPS, a comprehensive international payment and collection system, consisting of the ITS system and SPS and operated by the U.S. Treasury, is being implemented in recipient countries. The CPS will disburse moneys directly from MCC's Fund Balance with Treasury (FBWT) account to the recipient country's fiscal agent for payment to staff and vendors. Recipient countries that utilize CPS will not accrue interest in its permitted account, thereby eliminating the need for recording, reporting, and returning accrued interest to the U.S. Treasury.

#### Exhibit 14. Accrued Liabilities - QFR

Accrued Liabilities - QFR		
Requirement No.	Requirement Description	Priority
IFMS-133.	<b>Entry of Accrual Information from QFR:</b> Accrued liability data from the QFR forms are imported directly into the core financial system after entry into MIDAS and review by the Contractor.	Mandatory
IFMS-134.	<b>Fiscal Agent Entry of Accrued Liabilities:</b> Fiscal agents enter QFR data, either directly into MIDAS and imported into the financial management system.	Mandatory
IFMS-135.	<b>Transaction Team Review of QFR:</b> The Transaction Team Leadership reviews the QFR for accuracy and completeness. The review, request for revision, or approvals are traceable in the system. All associated parties are notified of any comments on the QFR.	Value-Added

Accrued Liabilities - QFR		
Requirement No.	Requirement Description	Priority
IFMS-136.	<b>Access to QFR:</b> The Transaction Team Leadership, Fiscal Agents and other appropriate MCC staff have access to relevant information in the QFR through the financial management system database after it is imported from MIDAS.	Value-Added
IFMS-137.	<b>Division of Finance Review of QFR:</b> Appropriate MCC Division of Finance staff are notified of approved QFRs by Transaction Teams. The Division of Finance reviews the accrual information currently in QFR Schedule C for accuracy and completeness. All associated parties (appropriate Fiscal Agents, Transaction Team Leadership, and the financial service provider) are notified upon completion of the review. All comments, requests of revision or clarification, and approvals are logged and traceable in MIDAS and finalized in IFMS upon approval.	Value-Added
IFMS-138.	<b>Notification of QFR Completion:</b> Upon completion of the QFR by the Fiscal Agent, the associated Transaction Team Leadership is notified.	Value-Added

## 3.5 PAYMENT MANAGEMENT AND RECEIVABLE MANAGEMENT REQUIREMENTS

### 3.5.1 FSIO Payment Management

The Payment Management function deals with accounts payable. Depending on an agency's system architecture, specific activities relating to payments may be supported in the core financial system by other systems that provide payment data to the core financial system for control and management. For example, payroll systems usually trigger actual disbursements to employees through direct deposit or by check, and send only the expense and disbursement information to the core financial system for recording the impact on the general ledger, funds control, and cost management processes. Likewise, loan and grant programs might be supported by systems that maintain their own information on payees and payments and send transaction data to the core financial system.

Other systems may support activities that lead up to the payment stage, such as recording obligations and expenditures and establishing payables, but depend on the core financial system to manage the actual payment process itself. For example, a travel system might calculate the amount to be paid on a travel voucher and send transactions to the core financial system to record the expenses and a payable to the traveler. The core financial system would then schedule the payment for disbursement and confirm that the disbursement has been made.

**Exhibit 15. FSIO Payment Management**

FSIO Standards for Payment Management		
Requirement No.	Requirement Description	Priority
PMA 01 – 17	Payee Information Maintenance	Mandatory
PMB 01 – 05	Accounts Payable	Mandatory
PMC 01 – 23	Invoicing	Mandatory
PMD 01 – 56	Disbursing	Mandatory
PMD 57 – 58	Disbursing	Value-Added
PME 01 – 09	Payment Follow-Up	Mandatory
PME 10	Payment Follow-Up	Value-Added

**3.5.2 MCC-Specific Payment Management***Accounts Payable and Payments*

The MCC Division of Finance oversees and manages all payment activities and accounting for MCC as executed by the vendor's accounting personnel and IFMS. The accounting personnel and IFMS must also comply with applicable Federal acts, regulations, and standards, especially the Prompt Payment Act, the Improper Payments Act and NARA records retention guidelines. These requirements provide IFMS standards for making payments related to any MCC liability or expense that is documented with a voucher, invoice, claim or similar demand for payment on MCC. The requirements also establishes the principles and requirements that govern the MCC, and IFMS and contracted accounting personnel examination, certification, and payment of vouchers, invoices, and other appropriate payment requests. Payables also arise from those MCC programs for which MCC acts in a fiduciary capacity. The IFMS must include a fully integrated, COTS, automated procurement system that supports this effort.

**Exhibit 16. Accounts Payable and Payments**

Accounts Payable and Payments		
Requirement No.	Requirement Description	Priority
IFMS-139.	<b>Federal Requirements:</b> The financial system must be in compliance with appropriate Federal government requirements, including SFFAS and the directives promulgated by the FSIO, Core Financial System Requirements. In accordance with this document, to support the accounts payable process, the core financial system must provide automated functionality to perform the following accounts payable functions: Payee Information Maintenance, Accounts Payable, Invoicing, Disbursing, and Payment Follow-Up.	Mandatory



Accounts Payable and Payments		
Requirement No.	Requirement Description	Priority
IFMS-140.	<b>Proper Payment Controls:</b> System must have appropriate controls over domestic vendor payments before processing. Controls include flags for possible false, fraudulent or otherwise improper vendor claims, and allowing for proper approval and matching prior to disbursement. This also includes generation of reports per guidance in the Improper Payment Information Act.	Mandatory
IFMS-141.	<b>Approval of an invoice by the COTR:</b> Before processing by the financial management system, the MCC COTR is required to approve the invoice. Receipt of goods must be properly accounted for and services received should be accurately accounted on the invoice. The system will notify the Contractor and the appropriate MCC staff upon approval. System should be able to provide up to 3-way matching for disbursements.	Mandatory
IFMS-142.	<b>Prompt Payment Act Tracking and Alert:</b> The system must accurately track time between notification and disbursement of payments and alert proper personnel, as specified. This includes timely, accurate accounting and independent reporting of accrued expenses as well as payments of accrued interest and reporting on late payments per the Prompt Payment Act.	Mandatory
IFMS-143.	<b>Improper Payments Information Act Reporting:</b> The system will generate a report on all improper payments as identified by the Division of Finance staff, the financial service provider, automatically by the system, or any other applicable party (as defined by the Improper Payments Information Act) and list the total percent and amount of improper payments by each transaction. The system will also update and track this information on a daily basis for review by the financial service provider and Division of Finance staff and will notify the parties when the thresholds of either 2.5% or \$10 million of program spending is approached.	Mandatory
IFMS-144.	<b>Generate Prompt Payment Act Reports:</b> The system must be able to generate Prompt Payment Act reports updated daily. The report will detail any occurrences of non-compliance with Prompt Payment Act regulations and will include the vendor's name, invoice amounts, and the amount of associated interest penalty payments. The system will also track and report the interest payments made due to late payment of employee travel claim reimbursement including the MCC employee's name, travel claim amount, and the amount of associated interest penalty payments.	Mandatory
IFMS-145.	<b>Calculation of Late Payment Fees:</b> When late payment fees are required in association with the Prompt Payment Act guidelines, the system will calculate the fees per instructions in the Prompt Payment Act.	Mandatory
IFMS-146.	<b>Interest Payable:</b> The system will record interest payable for the amount of interest expense incurred and unpaid. MCC pays interest on late payments in accordance with the Prompt Payment Act and on refunds.	Mandatory
IFMS-147.	<b>Discounts:</b> The financial management system will record accounts payable net of all economically justified discounts offered by vendors. In connection with any discount offered for prompt payment, the system computes the time elapsed from the date when a valid invoice was received by the financial service provider/system.	Mandatory

Accounts Payable and Payments		
Requirement No.	Requirement Description	Priority
IFMS-148.	<b>Notification of Prompt Payment Act Compliance:</b> The financial management system must notify appropriate parties of possible late payments per the Prompt Payment Act regulations. The system should notify appropriate parties 5 days before possible late payments and regularly thereafter until invoices are completed in the system or returned to the vendor.	Mandatory
IFMS-149.	<b>Notification of Improper Payments:</b> The system and/or the financial service provider must notify MCC of any improper payments.	Mandatory
IFMS-150.	<b>Notification of Fraudulent Invoices:</b> The system shall notify the Contractor and appropriate MCC staff of any potentially fraudulent invoices from MCC contractors.	Mandatory
IFMS-151.	<b>Generated Aged Payables Reports:</b> The system must generate aged payables reports from the core financial system for use by MCC contracting officers and other staff. Aged payables reports must be updated on a daily basis.	Mandatory
IFMS-152.	<b>Prompt Payment Act Violation Tracking and Notification:</b> Track and notify appropriate MCC staff of any potential violations of Prompt Payment Act regulations (5 CFR 1315) for external (i.e. to vendors) or internal (i.e. to employees for travel reimbursement) payments.	Mandatory
IFMS-153.	<b>NARA Guidelines:</b> Documentation for payments must be maintained in the system, per NARA guidelines at a minimum, and be traceable to the individual transactions.	Mandatory
IFMS-154.	<b>Associated Invoice Documentation:</b> All documentation associated with vendor invoices, such as vendor certifications (if necessary), must be maintained in the system and available for review by appropriate parties.	Mandatory
IFMS-155.	<b>Electronic Invoices:</b> The financial management system should allow for import and processing of electronic invoices from vendors that ensure proper controls on the integrity of the documents.	Mandatory
IFMS-156.	<b>Controls on Invoices:</b> The system must ensure adequate safeguards and controls over the integrity of the document and prevent an occurrence of duplicate or erroneous payments. No alteration of the invoice may incur without appropriate tracking, authorized approval, and maintenance of all superseded invoices. Maintenance and retention of all invoices must, at a minimum, comply with NARA guidelines.	Mandatory
IFMS-157.	<b>Disbursements of Valid Invoices:</b> The system may not issue disbursements until MCC contractors/vendors submit proper invoices that must meet the requirements stipulated in Prompt Payment Act regulations and the receipt of goods and services has been accepted by MCC personnel.	Mandatory
IFMS-158.	<b>Disbursements:</b> The IFMS and financial service provider issue disbursements upon receipt of a proper invoice and subsequent MCC certification in accordance with appropriate original documentation and certifications, as specified in the payment terms of the contract/grant document.	Mandatory
IFMS-159.	<b>Recording Liabilities (Accounts Payable):</b> The IFMS records liabilities upon receipt of proper invoices from its vendors.	Mandatory

Accounts Payable and Payments		
Requirement No.	Requirement Description	Priority
IFMS-160.	<b>Accounts Payable Awaiting Supporting Documentation:</b> If invoices for goods or services are not available when financial statements are prepared, the system and/or the Contractor (with oversight by appropriate Division of Finance personnel) will estimate the amounts owed and accounted for as an accrued expense.	Mandatory
IFMS-161.	<b>Recognition of Accounts Payable:</b> The financial service provider and/or IFMS recognizes an accounts payable liability upon receipt of services or when accepting title to goods, whether delivered or in transit. Amounts recorded as accounts payable must be supported by adequate evidence of the existence of the liability (e.g. purchase order or contract, and an invoice) that is discoverable through the financial management system and tied to the individual transaction.	Mandatory
IFMS-162.	<b>Recognition of Liabilities:</b> The system must not delay the recognition of a liability based on the availability of funds. The system must notify appropriate Division of Finance staff of the occurrence for inclusion in the financial statements.	Mandatory
IFMS-163.	<b>Federal and Public Accounts Payable:</b> Accounts payable resulting from transaction with other Federal entities must be identified separately from those resulting from transactions with the public.	Mandatory
IFMS-164.	<b>Calculation of Expense Accruals:</b> The system shall calculate expense accruals for accounts payable in the core financial system.	Value-Added
IFMS-165.	<b>Electronic Invoicing:</b> The system shall provide electronic invoicing, which will allow for direct invoice submittal by vendors into the system with a traceable approval process for appropriate MCC staff (applicable COTRs and Contracts and Grants Management staff) as well as import into the core financial system and export to reports for Division of Finance staff. Electronic invoicing shall allow contracting officers to review, electronically sign and approve all related documents (i.e., contracts, purchase orders, task orders and other documents). Upon contracting officer approval, the system will alert the financial service provider that the account payable is ready for obligation into the core financial system.	Value-Added
IFMS-166.	<b>Import and Availability of Vendor Invoices:</b> IFMS shall import vendor invoices and make ensure invoices are available for processing and date/time tracking by the financial services provider.	Value-Added

### *Payroll and Human Resources Management*

MCC relies on two types of payroll systems, one for its FTE Staff and another for its PSC.

- ▶ *FTE Staff:* For its FTE staff, MCC outsources its payroll management and personnel processing to a Human Resource Line of Business (HRLoB) provider, NBC. NBC utilizes the FPPS to manage and process MCC's FTE payroll.
- ▶ *PSC Staff:* MCC relies on NFC to disburse payments to PSCs electronically to PSC bank accounts or via mail. NFC provides PSCs earning statements and password access to its online system, Employee Express. NBC records payroll data to the NFC web-based payroll

System for Time and Attendance Reporting (STAR). It also reconciles monthly disbursements to employee time sheets.

The IFMS must be able to fully integrate with any of the Federal payroll providers and ensure that employee payments are correctly recorded into the core financial system without manual entry. The IFMS must also be able to interface with the NFC STAR system to track, enter and ensure the validity of these payments, as well. Furthermore, MCC utilizes the Avue Human Resources management application. The Contractor may need to transfer payroll data information from the FPPS to the Avue system, on a regular basis.

The IFMS and accounting staff shall maintain effective internal controls over the payroll processes. Proper authorizations and separation of duties are important to maintaining effective internal control over the payroll process. Internal controls over payroll operations include, but are not limited to the following:

- ▶ Access to personnel, payroll, and disbursement records or data files is limited to authorized personnel.
- ▶ Policies and procedures are documented and communicated to all parties.
- ▶ Management reports are used to identify errors or problems related to payroll.
- ▶ Proper oversight and monitoring of payroll processes.
- ▶ FPPS (NBC) and PPS (NFC) payroll costs are reconciled with the labor costs recorded in the core financial system.
- ▶ Annual audits of payroll operations and systems are performed by an independent audit firm or the Inspector General (IG) to determine SAS 70 compliance.

#### *Full-Time Employee (FTE) Payroll*

### **Exhibit 17. Full-Time Employee (FTE) Payroll**

Full-Time Employee (FTE) Payroll		
Requirement No.	Requirement Description	Priority
IFMS-167.	<b>Interface with Payroll System:</b> The IFMS shall be fully interfaced with all human resource and Federal payroll systems to reduce manual data entry requirements.	Mandatory
IFMS-168.	<b>Import payroll and personnel data:</b> The core accounting system must be able to import payroll data as specified by the agency.	Mandatory

Full-Time Employee (FTE) Payroll		
Requirement No.	Requirement Description	Priority
IFMS-169.	<b>Record and Verify payroll data:</b> The IFMS and accounting personnel shall record and verify accuracy of payroll data to the SF-1166 for Electronic Funds Transfers (EFTs) and submit payroll information to the Treasury for disbursing in an accurate and timely manner.	Mandatory
IFMS-170.	<b>Generate reports for financial reporting purposes:</b> The payroll system shall generate payroll reports on a monthly, quarterly and annual basis, or as requested by the Division of Finance for financial reporting purposes and/or reconciliation of USSGL accounts.	Mandatory
IFMS-171.	<b>Perform payroll accruals and reversals and distribute to appropriate GL accounts:</b> Perform payroll accruals on a monthly basis. Capture the accruals in the appropriate general ledger accounts at the end of the month. When the payroll is paid, the accrual must be reversed to reflect distribution of pay.	Mandatory
IFMS-172.	<b>Generate Payroll Summary Report:</b> The payroll system shall generate a bi-weekly payroll summary report that includes: <ul style="list-style-type: none"> <li>• total deductions</li> <li>• government additives</li> <li>• entitlements</li> <li>• net pay</li> <li>• total payroll costs</li> <li>• taxes collected from employees as well as taxes paid by the government on behalf of employees should be part of the net cost computation</li> </ul>	Mandatory
IFMS-173.	<b>Utilize payroll reports for budget execution:</b> IFMS shall be able to utilize payroll reports to support the preparation and creation of future administrative budgets.	Mandatory
IFMS-174.	<b>Export payroll and personnel data:</b> Export payroll and personnel data to systems maintained by other agencies, such as the Treasury. Export payroll and personnel data to data warehouses or datamarts, as required.	Mandatory
IFMS-175.	<b>Distribute labor cost information to the general ledger:</b> The IFMS shall be able to distribute labor cost information to the appropriate general ledger accounts.	Mandatory
IFMS-176.	<b>Make payments to employees and other entities:</b> The core accounting system must be able to facilitate (through the Treasury) payroll payments to employees and other entities (such as the IRS, benefit providers, the Thrift Savings Plan and others)	Mandatory
IFMS-177.	<b>Distribute labor costs:</b> The system shall be able to distribute labor cost information to the appropriate cost accounts for cost accounting purposes.	Mandatory
IFMS-178.	<b>Validate personnel actions:</b> The system must allow for the validation by a supervisor or someone with validating authority, personnel action data that is entered into the system	Mandatory
IFMS-179.	<b>Capture personnel action data via a web-based application:</b> Capture personnel action data via a web-based application and require the use of electronic signature to eliminate paper trail.	Mandatory

Full-Time Employee (FTE) Payroll		
Requirement No.	Requirement Description	Priority
IFMS-180.	<b>Process Personnel Action Forms:</b> The IFMS and accounting personnel must process personnel action forms. This includes, but is not limited to hiring of new employees, change of status and/or termination, pay adjustments, leave awards and special recognition monetary awards.	Mandatory

*Personal Services Contractor (PSC) Payroll*

**Exhibit 18. Personal Services Contractor (PSC) Payroll**

Personal Services Contractor (PSC) Payroll		
Requirement No.	Requirement Description	Priority
IFMS-181.	<b>Integrate with PSC Payroll System:</b> The IFMS shall be able to integrate with the current web-based payroll system (NFC's STAR system) or any other PSC payroll provider's system to enter PSC payroll data in a timely and accurate manner.	Mandatory
IFMS-182.	<b>Reconcile disbursement:</b> The IFMS and accounting personnel shall reconcile monthly disbursements to PSC employee time sheets in an accurate and timely manner.	Mandatory

*Common Payment System (CPS) Payments*

CPS is utilized to pay vendors and recipient country entities directly from MCC's FBWT. The system must be able to transfer foreign vendor invoicing data through an automated process to the two CPS systems, ITS and SPS, to create and make payments. The Contractor is responsible for reconciling transactions to files transmitted from the recipients, such as outside vendors and MCA (recipient country) entities.

**Exhibit 19. CPS System Requirements**

Common Payment System (CPS) Requirements		
Requirement No.	Requirement Description	Priority
IFMS-183.	<b>Record payment information into the core financial system:</b> The system must be able to accurately capture and record payment information made in the CPS systems into MCC's core financial system in the appropriate GL accounts.	Mandatory
IFMS-184.	<b>Manage payment process:</b> The IFMS and accounting service provider shall adhere to recipient country prompt payment requirements, which are shorter than normal domestic vendor payments due to recipient country requirements to pay vendors in a timely manner.	Mandatory

Common Payment System (CPS) Requirements		
Requirement No.	Requirement Description	Priority
IFMS-185.	<b>Receive, process and reconcile invoices:</b> The IFMS and accounting service provider shall receive invoices from recipient countries, process and reconcile invoices for payment through the CPS systems, in an accurate and timely manner.	Mandatory
IFMS-186.	<b>Reconciliation between Financial System and CPS:</b> The service provider is responsible for monitoring transactions and completing reconciliations between the core accounting system and the Treasury payment systems, CPS. The provider must also make necessary corrections to ensure all systems accurately portray all payments.	Mandatory
IFMS-187.	<b>Export reconciliation files to outside entities:</b> The system and provider must also process and retain files that support all CPS transactions for reconciliation purposes.	Mandatory
IFMS-188.	<b>Compliance with CPS user guidance:</b> The service provider is responsible for adhering to MCC CPS user guidance, roles and responsibilities.	Mandatory

#### *Payments Stemming from Travel Expenses and Charge Cards:*

The travel management module and accounting support personnel shall provide reconciliation of travel costs between the eTravel system (the eTravel system may be provided through a partnering agreement between the Contractor and the federally-approved eTravel provider or between MCC and the eTravel provider) and IFMS. This includes obligations and deobligations of travel expenses on a regular basis. IFMS shall also allow for segmented travel which will be allocated to various MCC recipient country and project costs.

The IFMS will be fully integrated with a credit card/purchase card system. The Contractor is expected to show that the IFMS is able to integrate with credit card/purchase card systems and that the IFMS and accounting support personnel are capable of reconciling purchases and verifying the accuracy of payments.

#### *Temporary Duty Travel and Travel Charge Cards*

The IFMS shall be fully integrated with one of the eTravel systems as well as Federal credit card system(s). Although the Contractor does not have direct control over the eTravel or Federal credit card systems, MCC expects that the IFMS shall provide a fully integrated system with its partners. The critical aspect of this system, besides timely and accurate payments, is that travel expenses are tied to the correct budget object code and multiple trips can be segmented to the correct BOC codes. Below are guidelines for IFMS interface and tracking with the eTravel and charge card systems, as well as some suggested requirements for the eTravel and charge card systems.



## Exhibit 20. Temporary Duty Travel and Travel Charge Cards

Temporary Duty Travel and Travel Charge Cards		
Requirement No.	Requirement Description	Priority
IFMS-189.	<b>Proper Post to USSGL Account:</b> The system shall ensure that eTravel transactions post to proper USSGL accounts through an interface to the core accounting system.	Mandatory
IFMS-190.	<b>Liquidation of Disbursed Travel Vouchers:</b> The core accounting system and accounting personnel shall liquidate an authorization obligation after a voucher has been disbursed and 90 days have passed since the travel completion date.	Mandatory
IFMS-191.	<b>TDY Recording of Travel Obligations:</b> The eTravel system interface with core accounting system shall enable recordation of travel obligation lines at the budget year, fund, program year, department, and country and corresponding BOC.	Mandatory
IFMS-192.	<b>Travel Interface:</b> Interface between the financial system and the eTravel system will be in real time.	Mandatory
IFMS-193.	<b>Travel Voucher:</b> The eTravel system shall provide for a random sampling of travel vouchers for voucher audits, information requirements, or other purposes based on criteria as determined by the agency. (Statistical sampling is required; requirements are contained in GAO's Title 7.)	Mandatory
IFMS-194.	<b>Travel Voucher:</b> The eTravel system shall provide for matching of travel vouchers with the travel authorizations and/or centrally issued passenger tickets and provide for audit of the claim in accordance with the Federal Travel Regulation (FTR) and Department of State Standardized Regulations (DSSR) for temporary duty travel of all civilian agency government travelers.	Mandatory
IFMS-195.	<b>Travel Voucher:</b> The eTravel system shall provide information to the core accounting system to allow for offset of funds due to indebtedness through salary offset, a retirement credit, or other amounts owed to MCC by the employee.	Mandatory
IFMS-196.	<b>Local Travel:</b> The eTravel system shall provide the capability to designated authorized officials to change the appropriate accounting classification data.	Mandatory
IFMS-197.	<b>Local Travel:</b> The eTravel system shall provide the capability to compute mileage allowances using the current government rate as determined by GSA and updated whenever changed by GSA.	Mandatory
IFMS-198.	<b>Travel Voucher:</b> The eTravel system shall provide for system-generated series of email notices when information has not been submitted timely as specified by FTR 301-51 and 301-52.	Value-Added
IFMS-199.	<b>Travel Voucher:</b> The eTravel system shall provide for a tracking capability that will allow travelers, payment offices, etc., to determine the status of any voucher/claim.	Value-Added
IFMS-200.	<b>Travel Voucher:</b> The eTravel system shall provide the capability to display defined messages to the user regarding required receipts for lodgings and authorized expenses incurred costing \$75 or more; surrendering unused, partially used, or downgraded/exchanged tickets; refund certificates; supporting documentation requirements; justification and certification statements.	Mandatory
IFMS-201.	<b>Travel Voucher:</b> The eTravel system shall allow for special routing and approval levels for certain classes/conditions of travel as required by FTR 301-2.	Mandatory



Temporary Duty Travel and Travel Charge Cards		
Requirement No.	Requirement Description	Priority
IFMS-202.	<b>Travel Voucher:</b> The eTravel system shall process amended vouchers using the same process as initial submissions to include appropriate reviewing and approving controls and the capability to update related systems/modules.	Mandatory
IFMS-203.	<b>Travel Voucher:</b> The eTravel system shall provide the traveler the capability to create and modify travel vouchers before final approval. The voucher then would be forwarded to the approving official. The approving official would either remand it to the traveler for revision and/or additional documentation or approve it and forward it for payment.	Mandatory
IFMS-204.	<b>TDY Travel System:</b> The eTravel system shall allow for the processing of partial/interim vouchers against an approved travel authorization to expedite liquidation related to travel obligations.	Mandatory
IFMS-205.	<b>TDY Travel System:</b> The eTravel system shall allow for entering approved or official subsistence rates, mileage allowance, etc., when not already available in the eTravel system.	Value-Added
IFMS-206.	<b>Travel Authorization:</b> The eTravel system shall calculate authorized per diem (including for non-work days, interrupted travel and reduced per diem rates) to include maximum lodging rates and meals and incidental expenses (M&IE) based on the temporary duty location.	Mandatory
IFMS-207.	<b>Travel Authorization:</b> The eTravel system shall complete travel authorizations with estimated per diem expenses.	Mandatory
IFMS-208.	<b>Travel Authorization:</b> The system shall provide for verification that authorization exists and that funds are available prior to obligating funds for travel.	Mandatory
IFMS-209.	<b>TDY Travel System:</b> The eTravel system shall provide the capability to compute M&IE allowance rates based on travel completed: -More than 12 hours but less than 24 hours (75 percent of the applicable M&IE rate) -24 hours or more, on first day of travel/day of departure (75 percent of the applicable M&IE rate) -Full days of travel (100 percent of the applicable M&IE rate) -Last day of travel / day of return (75 percent of the applicable M&IE rate)	Mandatory
IFMS-210.	<b>TDY Travel System:</b> The eTravel system shall provide the capability to calculate authorized mileage allowances and per diem amounts (including for non-work days, interrupted travel and reduced per diem rates) based on TDY location and other related information.	Mandatory
IFMS-211.	<b>TDY Travel System:</b> The system shall allow for recording the date of departure from, and arrival at, the official duty station or any other place when travel begins, ends, or requires overnight lodging.	Mandatory
IFMS-212.	<b>TDY Travel System:</b> The eTravel system shall provide the capability to use the information reflected on the travel authorization and/or government cash advance to prepare the voucher/claim and ensure it is, as required, consistent with authorizing type, including unlimited open, limited open, and trip-by-trip. The eTravel system should automatically access the appropriate per diem and mileage allowances.	Value-Added
IFMS-213.	<b>TDY Travel System:</b> The eTravel system shall provide for an automated interface of accounting codes and funds availability to and from the core accounting system.	Mandatory

Temporary Duty Travel and Travel Charge Cards		
Requirement No.	Requirement Description	Priority
IFMS-214.	<b>TDY Travel System:</b> The eTravel system shall provide the capability to display defined messages to the user regarding certification statements, Privacy Act Statement, standard clauses for required receipts, supporting documentation requirements, etc., and justification statements for use of special travel arrangements.	Value-Added
IFMS-215.	<b>TDY Travel System:</b> The eTravel system shall provide the capability to interface with the agency's Travel Management System (TMS) in accordance with the FTR 301-73.	Mandatory
IFMS-216.	<b>TDY Travel System:</b> The system shall provide the capability to process travel authorizations with split fiscal year funding and with multiple funding.	Mandatory
IFMS-217.	<b>TDY Travel System:</b> The system shall provide for verification that authorization exists and that funds are available prior to obligating funds for travel.	Mandatory
IFMS-218.	<b>TDY Travel System:</b> The eTravel system should provide the capability to support an electronic interface with MCC's centrally billed travel card and the employee's credit card company.	Value-Added
IFMS-219.	<b>TDY Travel System:</b> eTravel shall provide the capability to allow a user to drill down from summary data to detailed transaction data.	Mandatory
IFMS-220.	<b>TDY Travel System:</b> The eTravel system shall provide for the electronic routing of travel documents to reviewing and approving officials	Mandatory
IFMS-221.	<b>TDY Travel System:</b> The system shall provide the ability to process foreign currency conversions and fluctuations.	Value-Added
IFMS-222.	<b>TDY Travel System:</b> The eTravel system shall maintain and send a record of expenses for same day trip of more than 12 hours but less than 24 hours with no lodging to the payroll system to be included in the employee's Form W-2, Wage a Tax Statement. In addition, report and send the employer's matching tax amounts.	Mandatory
IFMS-223.	<b>TDY Travel System:</b> The eTravel system shall provide for an audit trail on historical data that identifies input, correction, amendment, cancellation and approval data, including user ID and date.	Mandatory
IFMS-224.	<b>TDY Travel System:</b> The eTravel system shall provide a unique coding and processing system that will enable each travel order to be tracked individually through the processing cycle, especially between the core financial system and eTravel.	Mandatory
IFMS-225.	<b>TDY Travel System:</b> The system shall provide the ability to cite multiple funding sources and the ability to designate travel costs by funding source (e.g., dollar amount, percentage allocation).	Mandatory
IFMS-226.	<b>TDY Travel System:</b> The eTravel system shall provide controls to prevent the creation of duplicate travel documents.	Mandatory
IFMS-227.	<b>TDY Travel System:</b> The eTravel system, Contractor, and personnel shall maintain adequate separation of duties for system users (e.g., requesting and approving travel functions can not be vested in the person, authorizing and approving travel functions should be separated from payment approval functions).	Mandatory

Temporary Duty Travel and Travel Charge Cards		
Requirement No.	Requirement Description	Priority
IFMS-228.	<b>TDY Travel System:</b> The eTravel system shall provide the capability to capture required standard data elements contained in the FTR and provide flexibility to accommodate additional data elements necessary to meet MCC needs.	Mandatory
IFMS-229.	<b>TDY Travel System:</b> The system shall provide override capability to change the order of precedence of processing steps to handle unusual travel demands.	Mandatory
IFMS-230.	<b>TDY Travel System:</b> The eTravel system shall provide the capability to maintain the order of precedence for executing each travel step (i.e., authorization must precede a voucher, etc.).	Mandatory
IFMS-231.	<b>eTravel Interface:</b> Interface shall allow for proper personnel notification and data routing systems.	Mandatory
IFMS-232.	<b>eTravel Interface:</b> The eTravel system shall provide the capability to maintain and send a record of taxable travel payments to the payroll system for inclusion in the employee's Form W-2, Wage and Tax Statement.	Mandatory
IFMS-233.	<b>eTravel Interface:</b> The eTravel system shall provide essential airline ticketing information so that the accounting office may review the information, verify the amount cited on the centrally billed travel card account, and determine if a refund is due or reconcile other ticketing differences so that correct payment is made.	Mandatory
IFMS-234.	<b>eTravel Interface:</b> eTravel shall interface with the accounts receivable module of the core accounting system for salary offsets.	Mandatory
IFMS-235.	<b>eTravel Interface:</b> The eTravel system shall provide a standard record format for interface of transactions from the travel system to the core financial system.	Mandatory
IFMS-236.	<b>eTravel Synchronization:</b> The eTravel system shall import and export appropriate data to the core financial system. This includes travel authorizations, obligations, travel vouchers, payments, and other travel related tasks.	Mandatory
IFMS-237.	<b>Liquidating Travel Obligations:</b> The core financial system shall liquidate all completed travel vouchers on a quarterly basis.	Mandatory
IFMS-238.	<b>Centrally billed charge-cards:</b> The system shall provide the capability to enter centrally billed charge card expenses that are non reimbursable to the employee but included in the total amount for taxes calculation.	Mandatory
IFMS-239.	<b>Centrally billed Credit Card:</b> The system shall process and pay MCC's monthly centrally billed credit card statement.	Mandatory

### *Post Relocation*

In general, MCC maintains a permanent presence in each recipient country. This presence consists of a Regional Country Director (RCD) and an Assistant RCD that oversee the operations of compact projects. Such individuals, unless already residing in their assigned country, make a PCS to represent MCC abroad.

PCS relocation entitlements and allowances are associated with the MCC employee in the following scenarios: 1) an appointment of a new employee to a first official duty station in an

MCA (recipient) country; 2) an employee transfer between overseas posts in MCA (recipient) countries; and 3) an employee returning from an MCA (recipient) country post, either to perform work at MCC headquarters in Washington, DC, or to return to an MCC employee's home of record after separation from MCC.

All MCC PCS relocation travel must be in compliance with applicable FTRs, DSSRs, and other relevant Federal regulations and guidance. MCC employees are eligible for entitlements and allowances as determined by the Department of State and administered by the Division of Human Resources.

### Exhibit 21. Post Relocation

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-240.	<b>Export and reconcile State Department COAST reports to the core financial system:</b> The core financial system shall enable daily electronic upload/reconciliation of COAST report data on expenditures of MCC allotments to State.	Mandatory
IFMS-241.	<b>Calculate number of days:</b> The system shall provide the capability to calculate the number of days from travelers' signature date to payment date.	Mandatory
IFMS-242.	<b>Late fee penalty:</b> The system shall provide the capability to add the late fee penalty to the voucher as provided by applicable regulations.	Mandatory
IFMS-243.	<b>Maintenance of per diem rates:</b> The system shall provide the capability for an automated maintenance of per diem rates from a central source.	Mandatory
IFMS-244.	<b>Edit claimed entitlements:</b> The system shall edit claimed entitlements for compliance with the FTR and agency policies.	Mandatory
IFMS-245.	<b>3rd Party vouchers with Withholding Tax Allowance (WTA):</b> The system shall accurately handle 3rd party vouchers with WTA for correct posting and handling by the interfaces.	Mandatory
IFMS-246.	<b>On-line funds validation:</b> The system shall provide for on-line funds validation.	Mandatory
IFMS-247.	<b>Maintain PCS related payments:</b> The system shall provide the capability to maintain a record of all PCS related payments (government bill of lading, relocation service providers) to the payroll system for inclusion on the employee's Form W-2, Wage and Tax Statement.	Mandatory
IFMS-248.	<b>Capture CONUS information:</b> The system shall provide for the reimbursement maximums or limitations applicable to regulatory provisions in effect on the employee's or new appointee's effective date of transfer or appointment for capturing within CONUS information.	Mandatory
IFMS-249.	<b>Capture rental car information:</b> The system shall provide for the reimbursement maximums or limitations applicable to regulatory provisions in effect on the employee's or new appointee's effective date of transfer or appointment for capturing information related to rental cars. (Transportation of a Personally Owned Vehicle [POV]).	Mandatory

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-250.	<b>Capture excess mileage amount:</b> The system shall provide for the reimbursement maximums or limitations applicable to regulatory provisions in effect on the employee's or new appointee's effective date of transfer or appointment for capturing excess mileage as taxable income.	Mandatory
IFMS-251.	<b>Calculate max on incentives:</b> The system shall provide the capability to calculate maximums or limitations applicable to the appropriate incentives. (Homesale Program/Home Marketing Incentive Payments).	Mandatory
IFMS-252.	<b>Gross up for RIT:</b> The system shall provide the capability to calculate in year 2 a gross up formula for a Relocation Income Tax (RIT) Allowance payment to cover the additional tax liability not covered by the WTA paid in year 1 on prior PCS settlement vouchers.	Mandatory
IFMS-253.	<b>Multiple RIT reimbursements:</b> The system shall provide the capability of processing more than one RIT if reimbursement is received in more than 1 calendar year.	Mandatory
IFMS-254.	<b>Use of relocation services:</b> The system shall provide the capability to capture information about employees' use of relocation services companies under contract with the Government Home sale Program/ Home marking incentive payments.	Mandatory
IFMS-255.	<b>Multiple relocation income tax allowances:</b> The system should provide the capability to process more than one RIT allowance if reimbursement is received in more than one calendar year.	Mandatory
IFMS-256.	<b>WTA gross up:</b> The system and accounting provider shall provide the capability to calculate in year 1 a gross up formula (compensate the employee for the initial tax, the tax on tax etc) for a WTA payment amount to cover the covered moving expense reimbursement are made, excluding other withholding tax obligations.	Mandatory
IFMS-257.	<b>Multiple WTA:</b> The system shall provide the capability of processing more than one WTA if reimbursement for moving expenses is received in more than 1 calendar year.	Mandatory
IFMS-258.	<b>Residence Transaction Expense reimbursement, set, apply, and change limits:</b> The system shall provide the capability to set, apply, and change limits on travel advances as "not authorized" for residence transaction expense reimbursement as set forth in FTR 302-6.	Mandatory
IFMS-259.	<b>RIT set, apply, and change limits:</b> The system shall provide the capability to set, apply, and change limits on travel advances as "not authorized" for RIT allowance as set forth in FTR 302-11	Mandatory
IFMS-260.	<b>Residence Transaction Expense reimbursement, date:</b> The system shall provide the capability to capture settlement date time limitation (2 years from date employee reports for duty at new official station, which may extend 2 years) and identification of employees not authorized for this reimbursement (new appointees, employees assigned under the government employee training act , and foreign PCS employees) (SR 99-9; 23-34).	Mandatory
IFMS-261.	<b>Residence Transaction expense reimbursement, old home:</b> The system shall provide for the given reimbursement maximums or limitations applicable to regulatory provisions in effect on the employee's effective date of transfer for Residence Transaction Expense Reimbursement for sale of old home on a prorated basis if not full title to the residence (SR 99-9; 23, 24).	Mandatory

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-262.	<b>Residence transaction expense reimbursement:</b> The system shall provide for the given reimbursement maximums or limitations applicable to regulatory provisions in effect on the employee's effective date of transfer for Residence Transaction Expense Reimbursement for purchase of new home on a prorated basis if not full title to the residence (SR 99-9; 23-24).	Mandatory
IFMS-263.	<b>Settlement of unexpired lease:</b> The system shall provide for the given reimbursement maximums or limitations applicable to regulatory provisions in effect on the employee's effective date of transfer for Residence Transaction Expense Reimbursement for settlement of an unexpired lease on a prorated basis.	Mandatory
IFMS-264.	<b>RIT, capture limited expenses:</b> They system shall, for RIT Allowance, provide the capability to capture the following Limited expenses or allowances covered by RIT: <ul style="list-style-type: none"> <li>• enroute according to current IRS regulations, household goods shipment (including temporary storage over 30 days)</li> <li>• non temporary storage expenses</li> <li>• mobile home/boat movement-temporary quarters, residence transactions (real estate) expense reimbursement</li> <li>• relocation services which constitute income to the employees</li> <li>• miscellaneous expense allowance</li> <li>• property management services allowance</li> <li>• employees not authorized include new appointees, employees assigned under the government employees training act, and employees returning from overseas assignment for the purposes of separation.</li> </ul>	Mandatory
IFMS-265.	<b>RIT, calculate gross up:</b> The system shall, for RIT Allowance, provide the capability to calculate State gross-up formulas to be used when States do not allow deduction of moving expenses; SR-99-9, 26,27	Mandatory
IFMS-266.	<b>RIT, calculate CMTR formula:</b> The system shall, for RIT Allowance, allow for entering appropriate data for income level and filing status; provide the capability to calculate a CMTR formula for Year 1 and for Year 2. (Formula adjusts the State and local tax rates to compensate for the deductibility from income for Federal or Puerto Rico tax purposes) (SR-99-9; 26,27).	Mandatory
IFMS-267.	<b>Calculate maximums in housing:</b> The system shall provide the capability to calculate maximums or limitations applicable to the following incentives: Agency pays transferred employee home marketing incentive for finding a bona fide buyer for employee's residence. May not exceed the lesser of: a.) Five percent (5%) of the price the relocation services company paid the employee for residence, or b.) Actual savings the agency realized from the reduced fee/expenses it paid to the relocation services company. (SR- 99-9; 2 Home sale Program/ Home marketing incentive payments).	Mandatory

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-268.	<b>Capture limitations for house hunting:</b> The system shall for allowances for house hunting trip provide the capability to capture the required information related to employee and/or spouse limitations. <ul style="list-style-type: none"> <li>• limited to one round trip</li> <li>• duration authorized by the agency under FTR 302, not to exceed 10 calendar days.</li> <li>• specific distance limitations applicable to individual allowances for house hunting trips.</li> <li>• both old and new official stations are located with the United States</li> <li>• not assigned to government or other prearranged housing at new official station</li> <li>• old and new stations are 75 or more miles apart</li> <li>• not authorized for new appointees</li> <li>• not authorized for employees assigned under the Government Employee's Act. (SR 99-9;19)</li> </ul>	Mandatory
IFMS-269.	<b>Transport POV, set, apply, and change limits:</b> The system shall provide the capability to set, apply, and change limits on advances for transportation and emergency storage of employee's privately owned vehicles (POV) as set forth in FTR 302-10.	Mandatory
IFMS-270.	<b>Transport mobile homes, set, apply, and change limits:</b> The system shall provide the capability to set, apply, and change limits on advances set forth in FTR 302-7. (SR 99-9; 22)	Mandatory
IFMS-271.	<b>Transport Goods, itemization of expense:</b> The system shall allow for entering appropriate data for daily itemization of actual expenses for transportation of household goods, temporary storage limitations and non temporary storage limitations.	Mandatory
IFMS-272.	<b>Transport Goods, weight limit:</b> The system shall provide the capability to capture weight limitations.	Mandatory
IFMS-273.	<b>Transport goods, reimbursement maximums:</b> The system shall, for allowance for transportation of household goods, provide for the given reimbursement maximums applicable to regulatory provisions in effect on the employee's effective date of transfer.	Mandatory
IFMS-274.	<b>Transport goods, reimbursement limits:</b> The system shall, for allowance for transportation of household goods, provide for the given reimbursement limitations in effect on the new appointee-s effective date of appointment.	Mandatory
IFMS-275.	<b>Transport goods, commuted rates:</b> The system shall, for allowance for transportation of household goods, provide access to schedules of commuted rates for moving and storage of household goods.	Mandatory
IFMS-276.	<b>Transport goods, access to GBL rates:</b> The system shall, for allowance for transportation of household goods, provide access to government Bill of Lading rates for moving and storage of household goods.	Mandatory
IFMS-277.	<b>Transport goods, allow comparison:</b> The system shall, for allowance for transportation of household goods, allow a comparison of government Bill of Lading rates and schedules of Commuted Rates for moving and storing of household goods.	Mandatory



Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-278.	<b>Temporary Quarters, apply, set, and change limits on advances:</b> The system shall, for allowances for temporary quarters subsistence expense, provide the capability to set, apply, and change limits on advances while occupying temporary quarters as set forth in FTR 302-5.	Mandatory
IFMS-279.	<b>Temporary Quarters, time limits:</b> The system shall, for allowance for temporary quarters subsistence expense, provide time limitations applicable to eligibility for temporary quarters subsistence expenses not to exceed 60 consecutive days (may extend an additional 60 consecutive days for compelling reasons).	Mandatory
IFMS-280.	<b>Temporary Quarters, distance limits:</b> The system shall, for allowance for temporary quarters subsistence expense, provide the capability to capture specific distance limitations applicable to eligibility for temporary quarters subsistence expenses.	Mandatory
IFMS-281.	<b>Temporary Quarters, ID unauthorized employees:</b> The system shall, for allowances for temporary quarters subsistence expense, provide for the system to identify employees not authorized for the allowance.	Mandatory
IFMS-282.	<b>Temporary Quarters, reimbursement NTE:</b> The system shall, for allowances for temporary quarters subsistence expense, provide for the given reimbursement maximums in effect on the employees effective date of transfer applicable to eligibility for temporary quarters subsistence expenses not to exceed 60 consecutive days (may extend an additional 60 consecutive days for compelling reasons).	Mandatory
IFMS-283.	<b>Temporary Quarters, reimbursement limit:</b> The system shall, for allowance for temporary quarters subsistence expense, provide for the given reimbursement limitations applicable to regulatory provisions in effect on the employee's effective date of transfer. (SR 99-9; 22-23)	Mandatory
IFMS-284.	<b>Temporary Quarters, effective maximums:</b> The system shall, for allowance for temporary quarters subsistence expense, provide for the reimbursement maximums, in effect on the employees effective date of transfer. (SR 99-9 22-23)	Mandatory
IFMS-285.	<b>Temporary Quarters, fixed method reimbursement:</b> The system shall, for allowances for temporary quarters subsistence expense, provide for the reimbursement utilizing the fixed methods, which may be reduced by the number of house hunting days. (SR 99-9; 22-23)	Mandatory
IFMS-286.	<b>Actual Expenses for temp quarters:</b> The system shall, for allowance for temporary quarters expense, provide for actual expenses which may be reduced by the number of house hunting days. (SR 99-9 22-23)	Mandatory
IFMS-287.	<b>Property Management optional use:</b> The system shall, for allowances for property management services, provide the capability to capture optional use by employee.	Mandatory
IFMS-288.	<b>Property Management transfer:</b> The system shall, for allowance for property management services, provide the capability to capture authorized transfer to a foreign area. (SR 99-9; 25)	Mandatory
IFMS-289.	<b>Property Management transfer back:</b> The system shall, for allowance for property management services, provide the capability to capture authorized transfer back to a different non foreign area. (SR 99-9; 25)	Mandatory



Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-290.	<b>Property Management payment date:</b> The system shall, for allowance for property management services, provide the capability to capture when the agency pays for services which assist the employees transferred to a non-foreign area from a foreign area, in retaining and renting rather than selling the residence at Government expense, up to a maximum of 24 months (2 years from effective date of transfer).	Mandatory
IFMS-291.	<b>Itemization of Miscellaneous:</b> The system shall, for allowance of miscellaneous expense, allow for entering the appropriate data for daily itemization of actual expense.	Mandatory
IFMS-292.	<b>Fixed method for miscellaneous:</b> The system shall, for allowance for miscellaneous expense, allow for entering appropriate data for the fixed method of miscellaneous expenses.	Mandatory
IFMS-293.	<b>ID employees not authorized:</b> The system shall, for allowances for miscellaneous expense, provide the capability to capture required information to identify employees not authorized to receive the allowance, such as the following: employee's first assignment unless to an overseas location, new appointees, employees assigned under the Government Employees Training Act, and employees returning from overseas assignments for the purpose of separation.	Mandatory
IFMS-294.	<b>Set limits on travel, not authorized, overseas tour:</b> The travel system must, for allowances for enroute travel and transportation of employee and immediate family, provide the capability to set limits on travel advances as not authorized for overseas tour renewal as set forth in FTR 302-1.	Mandatory
IFMS-295.	<b>Set limits on travel, not authorized, GBL:</b> The travel system must, for allowances for enroute travel and transportation of employee and immediate family members, provide the capability to set limits on travel advances as not authorized for Government Bill of Lading (GBL) or purchase order as set forth in FTR 302-7 and FTR- 302-8.	Mandatory
IFMS-296.	<b>Set travel limits, not authorized, for retirement:</b> The travel system must, for allowances for enroute travel and transportation of employee and immediate family, provide the capability to set limits on travel advances as not authorized as separation for retirement as set forth in FTR 302-1.	Mandatory
IFMS-297.	<b>Apply and Change limits on advance, not authorized, GBL:</b> The travel system must, for allowances for enroute travel and transportation of employee and immediate family, provide the capability to apply and change limits on travel advances not authorized for government bill of lading (GBL) or purchase order as set forth in FTR 302-7 and FTR 302-8.	Mandatory
IFMS-298.	<b>Apply and Change limits, not authorized, overseas tour:</b> The travel system must, for allowances for enroute travel and transportation of employee and immediate family, provide the capability to set, change, and apply limits on travel advances as not authorized for Overseas tour renewal, and for retirement, as set forth in FTR 302-1.	Mandatory
IFMS-299.	<b>Set, Change, and Apply limits on advances for per diem:</b> The system shall be able to provide for the capability to set, change, and apply limits on advances for estimated per diem for employee and immediate family on the allowance for enroute and transportation of employee and immediate family (enroute). (SR 99-9; 20)	Mandatory

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-300.	<b>Set, apply, and change limits on Common Carrier:</b> The system shall, for allowances for enroute and transportation of employee and immediate family, provide the capability to set, apply and change limits on advances for common carrier (not less than \$100).	Mandatory
IFMS-301.	<b>Daily Itemization of transportation:</b> The system shall, for Allowances for enroute and transportation of employee and immediate family, allow for entering appropriate data for daily itemization of actual expenses for actual transportation costs for employee. (SR 99-9; 20)	Mandatory
IFMS-302.	<b>Set, apply and change limits on travel advance:</b> The system shall, for allowance for enroute and transportation of employees and immediate family, (enroute) provide the capability to set, apply, and change limits on advances for mileage. (FTR 302-4 and SR 99-9; 19)	Mandatory
IFMS-303.	<b>Set, Apply and Change limits on transportation:</b> The system shall, for Allowance for Enroute and Transportation of Employee and Immediate Family, (Enroute) provide the capability to set, apply, and change limits on advances for mileage.	Mandatory
IFMS-304.	<b>Allowance for Transportation:</b> The system shall, for allowance for Enroute and Transportation of Employee and Immediate Family, provide for the given reimbursement maximums or limitations applicable to regulatory provisions in effect on the employee's or new appointee's effective date of transfer or appointment.	Mandatory
IFMS-305.	<b>Transportation of employee and family:</b> The system shall, for allowance for Enroute and Transportation of Employee and Immediate Family, provide the capability to capture specific distance limitations applicable to change of official station (at least 10 miles from old station). (SR 99-9; 20)	Mandatory
IFMS-306.	<b>Chronological travel expenses:</b> The system shall record travel expenses in a chronological and systematic order. (SR 99-9; 5)	Mandatory
IFMS-307.	<b>Travel activity transactions:</b> The system shall provide travel activity transactions to the core financial system by updating subsidiary systems/ modules SR 99-9 28	Mandatory
IFMS-308.	<b>Prompts for travel process:</b> The system shall provide the capability to the provide the user with prompts and understandable logically ordered screens to make the travel process as easy as possible. (SR 99-9; 5)	Mandatory
IFMS-309.	<b>On screen instructions:</b> The system shall provide the capability to provide on screen instructions as to how calculations are performed for allowances.	Mandatory
IFMS-310.	<b>Beginning date for relocation:</b> The system shall provide the capability to capture the beginning date of the relocation to calculate the time limit, not to exceed 4 years when the 2 year limitation for completion of residence (sale and purchase of lease) transactions is extended. (SR 99-9; 17)	Mandatory
IFMS-311.	<b>Duplicate allowance, family members:</b> The system shall provide the capability to prevent duplicate allowances for the selected allowance alternatives when two or more members of the same immediate family are employed by the government. (SR 99-9; 17)	Mandatory
IFMS-312.	<b>Allowance alternative, family members:</b> The system shall provide the capability to capture information for the required allowance alternative option selected when two or more members of the same immediate family are employed by the government. (SR 99-9; 17)	Mandatory

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-313.	<b>Backup and Recovery of transactions:</b> The travel system must provide the capability for backup and recovery of transactions. (SR 99-9; 30)	Mandatory
IFMS-314.	<b>Interface with accounts receivable, salary:</b> The system shall interface with the accounts receivable module to allow salary offsets. (SR 99-9; 30)	Mandatory
IFMS-315.	<b>Interface with accounts receivable:</b> The system shall interface with the accounts receivable module to allow generation of management reports. (SR 99-9; 28)	Mandatory
IFMS-316.	<b>Consolidate moving reimbursements:</b> The system shall provide for the system to annually consolidate the total amount of the employee's moving expense reimbursements during the applicable year. (SR 99-9; 19)	Mandatory
IFMS-317.	<b>Consolidate RIT's:</b> The system shall provide for the system to annually consolidate the total amount of the employees RIT's paid during the applicable year.	Mandatory
IFMS-318.	<b>Itemized expenses, RIT claims:</b> The system shall provide for an itemized list of expenses to the employee to facilitate filing RIT's paid during the applicable year. (SR-99-9; 19)	Mandatory
IFMS-319.	<b>Itemized expense list:</b> The system shall provide for an itemized list of expenses to the employee to facilitate filing income tax returns. (SR 99-9; 19)	Mandatory
IFMS-320.	<b>Expenses record for W-2:</b> The system shall send a record of the expenses (including temporary assignments that are expected to exceed on year) to the payroll system to be included in the employees W-2 for relocation expenses, regardless of what system paid the expenses. (SR 99-9; 19-19)	Mandatory
IFMS-321.	<b>Matching tax amounts:</b> The system shall provide the capability to send employer's matching tax amounts to the payroll system.	Mandatory
IFMS-322.	<b>Record taxable relocation expenses:</b> The system shall maintain a record of all taxable relocation expenses, regardless of what system paid the expenses.	Mandatory
IFMS-323.	<b>Non-taxable relocation expenses:</b> The system shall maintain a record of all nontaxable relocation expenses. Regardless of what system paid the expenses.	Mandatory
IFMS-324.	<b>Travel authorizing documents:</b> The system shall incorporate the authorization and approval of travel authorizing documents, including funds certification.	Mandatory
IFMS-325.	<b>Preparation and Computation of travel authorizing documents and vouchers:</b> The system shall incorporate the preparation and computation of travel authorizing documents and vouchers. (SR 99-9; 5)	Mandatory
IFMS-326.	<b>Emergency advances:</b> The system shall incorporate the authorization and approval of emergency advances.	Mandatory
IFMS-327.	<b>Recompute allowances:</b> The system shall provide for recomputing allowances.	Mandatory
IFMS-328.	<b>Adjustment to allowances:</b> The system shall provide for making appropriate adjustments to allowances.	Mandatory
IFMS-329.	<b>Generating standard GSA report:</b> The system shall be capable of generating standard GSA reports.	Mandatory
IFMS-330.	<b>Withholding state, hospital, federal, and FICA tax:</b> The system shall provide for withholding all appropriate tax at the withholding rate applicable to supplemental wages on the original voucher when submitted. (Use the "gross-up" formula in FTR 302-11).	Mandatory

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-331.	<b>Storage tax calculation:</b> The system shall provide for the calculation of tax for storage over 30 days.	Mandatory
IFMS-332.	<b>Change of Station Transaction:</b> The system shall provide for the approval or disapproval of a change of station transaction by a designated individual at central or remote locations.	Mandatory
IFMS-333.	<b>Travel vouchers and authorizations:</b> The system shall provide for matching of travel vouchers with the travel authorizations.	Mandatory
IFMS-334.	<b>Travel vouchers and tickets:</b> The system shall provide for the matching of travel vouchers with centrally issued passenger tickets.	Mandatory
IFMS-335.	<b>Audit of Travel Voucher:</b> The system shall provide for audit of the travel voucher claim.	Mandatory
IFMS-336.	<b>Liquidating travel advance:</b> The system shall provide for liquidating travel advances from more than one entitlement if submitted on one voucher.	Mandatory
IFMS-337.	<b>Gather and analyze statistics:</b> The system shall provide for the capability of gathering and analyzing usage statistics.	Mandatory
IFMS-338.	<b>Determine Status:</b> The system shall provide a tracking system that allows travelers or designee to determine the status of the document.	Mandatory
IFMS-339.	<b>Designate Reimbursement of Traveler:</b> The system shall provide for a mechanism that allows travelers or designee to designate applicable amounts to be reimbursed to the traveler.	Mandatory
IFMS-340.	<b>Data Elements for Standard Queries:</b> The System shall maintain standard data elements contained in the FTR Chapter 301 Appendix C to generate ad hoc and standard queries.	Mandatory
IFMS-341.	<b>Link Bill of Lading:</b> The system shall link payment of Government Bill of Lading to employee records in the financial system.	Mandatory
IFMS-342.	<b>Maintaining Defined Messages:</b> The system shall provide for maintaining defined messages to the user regarding general system information (including Privacy Act Statement), announcements etc.	Mandatory
IFMS-343.	<b>Expense record to W-2:</b> The system shall provide a capability to send a record of expenses to the payroll system to be included in the employee's Form W-2.	Mandatory
IFMS-344.	<b>RIT Allowance disbursement data:</b> The system shall automatically provide RIT Allowance disbursement data calculated by the Travel system to the Payroll system for inclusion in W-2's.	Mandatory
IFMS-345.	<b>Computation PCS mileage:</b> The system shall allow for the computation of PCS mileage in taxable and non taxable portions.	Mandatory
IFMS-346.	<b>Two-year relocation phase:</b> The system shall allow for calculation of a 2 year period to complete relocation phases with 1-year extensions when authorized not to exceed a total of four years.	Mandatory
IFMS-347.	<b>Effective Date of Transfer:</b> The System shall provide the capability to capture the effective date of the transfer. (SR 99-9;17)	Mandatory
IFMS-348.	<b>Offset Entitlements:</b> The system shall provide for the capability to offset entitlements against any indebtedness to the Agency. (SR 99-9;18)	Mandatory

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-349.	<b>Historical Government Rates:</b> The system shall retain historical data on standard government rates such as per diem and mileage rates, previous years tax rates.	Mandatory
IFMS-350.	<p><b>PCS:</b> The system must provide the capability to set, change, and apply limits on travel advances as authorized for estimated per diem, mileage, common carrier (less than \$100) for employee and immediate family as set forth in FTR 302-2. Provide the capability to capture specific distance limitations applicable to change of official station—At least 10-mile distance from the old official station.</p> <p>Not authorized for:</p> <ul style="list-style-type: none"> <li>Overseas tour renewal agreement travel as set forth in FTR 302-2.</li> <li>Separation for retirement as set forth in FTR 302-1.</li> <li>Government Bill of Lading (GBL) or purchase order as set forth in FTR 302-7 and 302-8.</li> </ul>	Mandatory
IFMS-351.	<b>PCS:</b> The system must provide the capability to display defined messages to the traveler and/or travel administrator regarding statements, justifications, and certifications. The system must provide warning messages or guidelines that include at least some identification as to where the traveler should go for additional information. (e.g., If another level for find certification or approval is required, or if receipts or additional documents are required for certain activities, the system should provide such a message when the order is prepared. In addition, when the voucher segment of the system is activated, the requirement should appear again so that all necessary documentation is available for voucher audit.)	Mandatory
IFMS-352.	<b>PCS:</b> The system must allow for recomputing allowances and making appropriate adjustments.	Mandatory
IFMS-353.	<b>PCS:</b> The system should provide for the reimbursement maximums or limitations applicable to regulatory provisions in effect on the employee's date of travel. The system must also allow for entering appropriate data for various options of method of reimbursements, including daily itemization of actual expenses.	Mandatory
IFMS-354.	<b>PCS:</b> The core accounting system or PCS travel module must be able to process the SF-1012/travel voucher. The core accounting system must be able to facilitate payment directly into the employee's bank account.	Mandatory
IFMS-355.	<b>PCS:</b> The travel system should provide the necessary accounting details to the supporting agency's core accounting system to reimburse the Department of State for the vehicle shipment cost through the IPAC system.	Mandatory
IFMS-356.	<b>PCS:</b> The system should annually consolidate total amount of employee's WTA, the amount of moving expense reimbursements, and RIT payments during the applicable year and provide an itemized list to the employee to facilitate filing claims and income tax returns.	Mandatory
IFMS-357.	<b>PCS:</b> The system should maintain a record of all relocation expenses (taxable and nontaxable). The system should send a record of the expenses, including expenses related to temporary assignments that are expected to exceed one year, to the payroll system to be included in the employee's Form W-2, Wage and Tax Statement, or provided as a separate W-2 for relocation expenses, as appropriate. In addition, the system should report and send the employer's matching tax amounts.	Mandatory

Post Relocation		
Requirement No.	Requirement Description	Priority
IFMS-358.	<b>PCS:</b> The system shall provide for liquidating travel advances from more than one entitlement if submitted on one voucher.	Mandatory
IFMS-359.	<b>PCS:</b> Following the relevant regulations, these allowances are calculated manually and approved by the Office of Administration.	Mandatory
IFMS-360.	<b>PCS:</b> The PCS travel module shall establish controls to ensure that the core financial system processes all home leave ticket reimbursements processed through the travel agent supporting MCC, limiting each U.S. direct hire and his/her family members no more than one Home Leave every two years. The Home Leave is not to be taken prior to 18 months at post nor more than 36 months at post. Trips should be flagged for repayment, if the employee does not return to post for an additional year following the home leave.	Mandatory
IFMS-361.	<b>PCS:</b> The module supporting PCS travel must provide for selecting an allowance alternative option when two or more members of the same immediate family are employed by the government. In applying these alternatives, the module controls shall ensure that other members of the immediate family do not receive duplicate allowances.	Mandatory
IFMS-362.	<b>PCS:</b> The financial system shall provide the capability to track the actual date of permanent arrival in-country and departure date, while recording and compiling all COLA and differential payments. Anyone departing post prior to their stated service agreement will be flagged for repayment of all transfer costs and home leave airfare. The decision to require repayment will be determined by MCC senior management and be based on reason for termination.	Mandatory
IFMS-363.	<b>Post Allowances:</b> The system shall calculate valid post allowances to the designated employee, including: Post Allowance, Post Differential, Living Quarters Allowance Annual/Interim Expenditures, Foreign Transfer Allowance, Education Allowance, Subsistence Allowance, Separate Maintenance Allowance, Extraordinary Quarters, Educational Travel, Temporary Quarters Subsistence Allowance, Shipping and Storage. The system shall provide for exporting required payroll information to the payroll system.	Mandatory

### *Overseas Operations*

MCC operations require frequent travel (Temporary Duty Travel, or TDY) to eligible, threshold and compact countries, as well as a limited but permanent presence in compact countries. The MCC Department of Administration and Finance ensure that MCC's overseas operations follow applicable Federal government states, regulations and other appropriate guidelines issued by the Department of State. Pursuant to State Department ICASS regulations, MCC subscribes to State's ICASS Basic Package, which includes such services as negotiated hotel rates, diplomatic accreditation to the host government, local bank account establishment, and other services.

For other types of goods and services not provided to MCC under the annual ICASS service Agreement or through ICASS services provided to MCC employees on TDY travel, MCC provides allotment to pertinent Embassies to incur expenses on MCC's behalf. Allotments cover a variety of expenses, including but not limited to, translation and interpretation services, local



drivers, local conference rooms and amenities, local salaries, leases, and office supplies. In countries in which MCC has a permanent presence, MCC also participates in the Capital Security Cost Sharing (CSCS) Program.

## Exhibit 22. Overseas Operations

Overseas Operations		
Requirement No.	Requirement Description	Priority
IFMS-364.	<b>Export and reconcile State Department COAST reports to the core financial system:</b> The core financial system shall enable daily electronic upload/reconciliation of COAST report data on expenditures of MCC allotments to State.	Mandatory

### 3.5.3 FSIO Receivable Management

Receivables are established to account for amounts due from others as the result of performance of services by the agency, delivery of goods sold, the passage of time (e.g., interest earned), overpayments, or other actions. Receivables are accounted for as assets until funds are collected, or determined to be uncollectible in whole or in part. In addition, some receipts may be collected without the prior establishment of a receivable, as in the case of goods sold for cash.

Federal debt management regulations are documented in several different sources. The Debt Collection Act of 1982 authorized agencies to charge interest, penalties, and administrative costs against delinquent non-Federal debtors, and on debts due from state and local governments. OMB Circular A-129, *Policies for Federal Credit Programs and Non-Tax Receivables*, prescribes policies and procedures for collecting non-tax receivables and sets standards for servicing these receivables and for collecting delinquent debt. DCIA established a framework for improved Federal debt collection by requiring agencies to take prompt action to recover debts, screen potential borrowers related to credit programs, and resolve outstanding debt through various options. DCIA centralized the management of delinquent non-tax obligations overdue by 180 days in the Department of the Treasury for administrative offset and cross-servicing. In addition, DCIA allows referral of the delinquent debt to the Department of Justice for litigation. To remain in compliance with these requirements, Federal agencies, unless otherwise precluded from statute, must accurately and timely report on receivables by submitting all required information on the Treasury Report on Receivables (TROR).

Depending on an agency's system architecture, servicing and collection activities for some receivables may be supported by other systems that provide data to the Core financial system. This would be particularly appropriate for receivables resulting from large programs with

complex data requirements, such as loan programs, grant programs, or fee-for-service programs. Servicing and collection of receivables with simpler requirements for supporting data, such as those resulting from erroneous payments, may be supported directly by the Core financial system with no support by other systems. Servicing of payroll collections (benefits, judgments, etc.), however, should be maintained in the payroll system and made available to the Core system for recording the general ledger impact.

The Receivable Management function includes recording, billing, monitoring, and collecting amounts due the government whether previously established as a receivable or not. These activities must be supported by aging schedules, exception reports, and reports used to monitor due diligence efforts.

### Exhibit 23. FSIO Receivable Management

FSIO Standards for Receivable Management		
Requirement No.	Requirement Description	Priority
RMA 01 – 07	Customer Information Maintenance	Mandatory
RMB 01 – 26	Receivables and Billing	Mandatory
RMC 01 – 21	Debt Management	Mandatory
RMD 01 – 11	Collections and Offset	Mandatory

#### 3.5.4 MCC-Specific Receivable Management

MCC accounting operations for accounts receivable are standard. An effective system for recording accounts receivable is necessary to: 1) ensure accurate financial reporting; 2) comply with applicable Federal regulations and requirements; and 3) inform federal decision makers (Congress, the OMB, etc.) of the gross book value of the receivables owed to MCC and the status of debt collection. The IFMS must maintain an automated procurement system with vendor payment tracking and interface with FPPS to properly track, manage, and report accounts receivable.

### Exhibit 24. Accounts Receivable

Accounts Receivable		
Requirement No.	Requirement Description	Priority
IFMS-365.	<b>Information for entry into the Treasury Report on Receivables (TROR):</b> The system will generate information for suitable entry into the Treasury Report on Receivables.	Mandatory



Accounts Receivable		
Requirement No.	Requirement Description	Priority
IFMS-366.	<b>Electronic Invoicing – Accounts Receivable:</b> The system shall provide electronic invoicing, which for accounts receivable, will alert vendors and appropriate MCC staff of amounts owed and correct future payments to vendors with transparent records. The electronic invoicing shall interface with the core financial system and generate accounts receivable reports, as requested by the MCC.	Mandatory
IFMS-367.	<b>Recording a Receivable for Overpayment to Vendor:</b> The system must record a receivable in the core financial system when a vendor is overpaid and credit the receivable with subsequent vendor adjustment/repayment.	Mandatory
IFMS-368.	<b>Integration with Vendor Payments System:</b> The core financial system utilizes an integrated vendor payments system that tracks expected vendor charges with actual invoices to avoid vendor overpayment.	Mandatory
IFMS-369.	<b>Discovery and Notification of Erroneous Payment:</b> Upon discovery of an erroneous payment, the Contractor must automatically notify all parties involved with the payment to the vendor, including MCC staff.	Mandatory
IFMS-370.	<b>Historical Data of Vendor Payments:</b> Historical data of all payments to vendors, especially overpayments or erroneous payments must be maintained and, at a minimum, traceable to individual vendors, COTRs, and projects. This information must be kept in a database available for review by appropriate MCC staff.	Mandatory
IFMS-371.	<b>Debt Collection Management History:</b> Debt collection management history may be reviewed by appropriate MCC staff and the Contractor, at any time, or transferred for control of debt management if the employee leaves the MCC.	Mandatory
IFMS-372.	<b>Coordination if Employee leaves MCC:</b> The payroll service provider coordinates with the indebted employee, financial service provider, appropriate MCC staff, and other appropriate parties if the employee leaves the MCC.	Mandatory
IFMS-373.	<b>Notification of Debt Collection Progress:</b> Notifies and updates appropriate MCC Division of Finance staff of debt collection progress.	Mandatory
IFMS-374.	<b>Notification of Finalized Salary Offset and Repayment Plan:</b> Notifies the appropriate MCC staff of salary offset percentage and/or negotiated repayment plan, upon finalization of negotiations.	Mandatory
IFMS-375.	<b>Notification of Due Diligence Procedure Implementation:</b> Once the payroll service provider initiates due diligence procedures the payroll service provider and/or the core financial system must immediately notify and/or involve the Contractor (even if the same organization, the separate financial service department must be notified immediately) as well as appropriate MCC staff.	Mandatory
IFMS-376.	<b>Transparency of Debt Collection Transactions and Controls over Access:</b> The debt collection process and transactions must be transparent to the financial service provider and appropriate MCC staff for accurate recording of accounts receivable to the core financial system. The payroll service provider must make allow for transparency with appropriate controls on access.	Mandatory
IFMS-377.	<b>Compliance with the Debt Collection Improvement Act:</b> Payroll service provider debt collection procedures comply with the Debt Collection Improvement Act.	Mandatory

## 3.6 COST MANAGEMENT REQUIREMENTS

### 3.6.1 FSIO Cost Management

The Cost Management function encompasses the capability to accumulate, recognize, and distribute the cost of an agency's activities in the financial system for management information purposes. Managerial cost accounting concepts and standards for the Federal Government are prescribed in SFFAS 4, *Managerial Cost Accounting Concepts and Standards for the Federal Government*, promulgated by FASAB.

The term “cost” universally refers to monetary value of resources used or sacrificed, or liabilities incurred, to achieve an objective: such as to acquire or produce a good, or to perform an activity or service. However, the level of sophistication needed within the Cost Management function of the Core financial system is dependent upon an agency's requirements and the nature of the programs within the agency. For example, if an agency's primary mission is to produce a product or service for sale, the costing function typically will be accomplished in the Managerial Cost Accounting System that is integrated with the Core financial system. Programs with less crucial cost information needs might perform cost management functions by analytical or sampling methods.

The managers and executives who have the need for cost information should drive cost management in agencies. Regardless of agency need, the Core financial system must contain basic cost management functions. For example, SFFAS 4 requires that cost information developed for different purposes should be drawn from common data sources and that cost reports should be reconcilable to each other. Once management has identified the cost objects it needs and the corresponding structure has been set up in the accounting system, the system accumulates cost data accordingly. A “cost object” is any activity, output, outcome, or item whose cost and revenue are to be measured, such as organizational units, programs, projects, targeted outputs, specific contracts, specific customers, work orders, GPRA programs and activities, etc. After cost information is accumulated and prepared, it is distributed to managers.

#### Exhibit 25. FSIO Cost Management

FSIO Cost Management		
Requirement No.	Requirement Description	Priority
CMA 01 – 05	Cost Setup and Accumulation	Mandatory
CMB 01 – 26	Cost Distribution	Mandatory
CMC 01 – 03	Cost Reporting	Mandatory

### 3.6.2 MCC-Specific Cost Management

MCC requirements for a cost management module include a means to capture labor distribution and apply it to recipient countries, as well as to threshold and compact projects within each recipient country. The goal of a cost management module is to capture the costs of MCC operations. The most important aspect of these operations is the development and management of threshold programs and compacts.

**Exhibit 26. MCC-Specific Cost Management Requirements**

MCC-Specific Cost Management Requirements		
Requirement No.	Requirement Description	Priority
IFMS-378.	<b>Process – Accumulation of cost data:</b> Once management has identified the cost objects it needs and the corresponding structure has been set up in the accounting system, the system accumulates cost data accordingly. Finally, cost information is prepared and distributed to managers. A cost object is any activity, output, outcome, or item whose cost and revenue are to be measured, such as, organizational units, programs, projects, targeted outputs, specific contracts, specific customers, work orders, and GPRA program/activities, etc.	Mandatory
IFMS-379.	<b>Process - Cost Assignment Rules Maintenance:</b> Cost assignment rules provide the mechanism for attributing costs to cost objects. A cost object may be a particular output (good or service produced), a program, an organization, an activity performed, or other item whose cost is to be measured. Costs may be assigned to a cost object by direct tracing, cause-and-effect basis, or allocations.	Mandatory
IFMS-380.	<b>Process – Cost Management:</b> The Cost Management function of the Core financial system attempts to measure the total cost and revenue of Federal programs, and their various elements, activities and outputs. Cost Management is essential for providing accurate program measurement information, performance measures, and financial statements with verifiable reporting of the cost of activities. The term "cost" refers to the monetary value of resources used or sacrificed or liabilities incurred to achieve an objective, such as to acquire or produce a good or to perform an activity or service. A "cost object" is any activity, output or item whose cost and revenue are to be measured.	Mandatory
IFMS-381.	<b>System – Determination of requirements:</b> The level of sophistication of the Cost Management function needed by an agency is dependent on the requirements of the agency, and the operational nature of the programs involved. For example, if an agency's primary mission is to produce a product or service for sale, the costing function typically will be accomplished in the Managerial Cost Accounting System that is integrated with the Core Financial System. Programs with less crucial cost information needs might perform cost management functions by analytical or sampling methods. However, in any Core Financial system, certain basic functions must be present. For example, SFFAS 4 requires that cost information developed for different purposes should be drawn from common data sources, and that cost reports should be reconcilable to each other.	Mandatory

MCC-Specific Cost Management Requirements		
Requirement No.	Requirement Description	Priority
IFMS-382.	<p><b>System – Statement of Net Cost:</b> The managerial cost accounting system should be able to provide cost data needed to produce the Statement of Net Cost for the agency's financial statements. Optionally, it should also maintain the exchange revenue data needed to produce the Statement of Net Cost. Based on the conference report accompanying GPRA, whenever possible, agencies should include performance indicators that correlate the level of program activity with program costs such as costs per unit of result, costs per unit of service, or costs per unit of output. The managerial cost accounting system should be capable of supporting cost management by performing such tasks as the following:</p> <ul style="list-style-type: none"> <li>• Accumulate costs in agency defined cost centers that are associated with agency defined performance measures.</li> <li>• Accumulate numerically valued agency defined output information.</li> <li>• Calculate the unit cost of outputs.</li> <li>• Produce unit cost reports by output.</li> <li>• Produce project, job order, and work order reports showing costs from inception to date.</li> <li>• Produce contract reports showing revenue and costs.</li> </ul>	Value-Added
IFMS-383.	<p><b>System – Depreciation Calculation:</b> The appropriate property management system should calculate depreciation expense for capitalized items. Depreciation is used to spread out the acquisition cost of a capital item as expenses over the item's useful life. The managerial cost accounting system should capture and handle these depreciation expenses in much the same way it captures expenses associated with labor, materials, and other items.</p>	Value-Added
IFMS-384.	<p><b>System – PP&amp;E:</b> The managerial cost accounting system should accumulate and determine the full cost of general PP&amp;E under construction. Costs for the current period and in total should be maintained for each construction project and item of property. When a project is completed, construction in progress is transferred to the appropriate asset account. This information should be passed to the core financial system and property management system(s) for asset valuation purposes.</p>	
IFMS-385.	<p><b>System – Total Net Cost:</b> The managerial cost accounting system must capture (or share with other systems) all data on units needed to determine the costs of outputs and the total net cost of the entity's operations, with the appropriate disclosures of the components of net cost. Units captured by the managerial cost accounting system are stored according to the data classification structure discussed above under system administration and in Chapter II. Examples of unit information to be captured include amounts and unit types (e.g., hours, items). These data elements are used to represent actual units of inputs and outputs, equivalent units (such as full-time equivalent employees), percentage of completion of a project, and measurements of outcomes.</p>	Mandatory

MCC-Specific Cost Management Requirements		
Requirement No.	Requirement Description	Priority
IFMS-386.	<b>System – Summary Information:</b> The managerial cost accounting system must capture summary information on all costs from the core financial system and other systems of original entry for cost transactions. These costs include, but are not limited to, operating expenses, costs of transfer payments, costs of goods sold, work-in-process costs, and mission asset costs. In addition, the managerial cost accounting system should allow for direct input of cost information by authorized users with an appropriate audit trail in order to capture costs that are not entered into any other system. If costs are entered directly into the managerial cost accounting system, it must summarize them and send them to the core financial system for posting to the general ledger. An example of this is recording the estimated cost of goods and services received from another entity without reimbursement and the corresponding financing source to cover it, where the cost needs to be recorded at a level of detail not supported by the core financial system.	Mandatory
IFMS-387.	<b>System – Data Capture:</b> The managerial cost accounting system must capture or be able to access several types of data. The data capture function obtains data that is more dynamic than the data maintained by the system administration function. This includes data on costs, units, exchange revenues, and gains and losses.	Mandatory
IFMS-388.	<b>System – System Administration function:</b> The system administration function of the managerial cost accounting system enables authorized users to maintain the rules for cost assignment. The cost assignment function applies these rules to assign costs to cost objects, including outputs.	Mandatory
IFMS-389.	<b>System – Unique Data Classification Elements:</b> The managerial cost accounting system may also use data classification elements that are unique to it, for example, activities in an activity-based costing system. The managerial cost accounting system must allow authorized users to maintain this data and use it for editing and reporting purposes. Different users may have different access and update capabilities.	Mandatory
IFMS-390.	<b>System – Program Accumulators:</b> Program accumulators enable quantifiable measures used to determine the cost effectiveness of program activities. Therefore, the managerial cost accounting system should capture information on: <ul style="list-style-type: none"> <li>• Outcome Measures</li> <li>• Program Costs</li> </ul>	Value-Added
IFMS-391.	<b>System – Goals and Objectives:</b> Goals and objectives describe management's projected outcomes and results. These include the ones identified in the agency's strategic plans. Therefore, the managerial cost accounting system should capture information on: <ul style="list-style-type: none"> <li>• Quantitative Outcome Goals</li> <li>• Planned Program Costs</li> </ul>	Value-Added
IFMS-392.	<b>System - Effectiveness Measures:</b> Effectiveness measures reflect the planned outcomes to be achieved by a program unit, such as number of students graduating and obtaining jobs. Therefore, the managerial cost accounting system should capture information on: Planned Outcomes.	Value-Added

MCC-Specific Cost Management Requirements		
Requirement No.	Requirement Description	Priority
IFMS-393.	<p><b>System – Program Classification:</b> The program information classification structure categorizes cost information to be used in evaluating the effectiveness of program performance. Data standards for this information are among the least defined. Although not required, some agencies may find it very helpful for the managerial cost accounting system to be capable of associating program costs with the outcomes identified in an agency's strategic plan prepared in accordance with GPRA. Under GPRA, the required strategic plans and performance goals would be a primary means of defining or identifying performance indicators to measure and assess outputs, service levels, and outcomes for each program activity. In discussing the use of cost information for performance measurement, SFFAS No. 4 states that while "effectiveness" in itself is measured by the outcome or the degree to which a predetermined objective is met, it is commonly combined with cost information to show cost-effectiveness. Therefore, there could be a role for the managerial cost accounting system in assessing part of the effectiveness of a program by reporting on the costs of the program and of those outcomes which are quantifiable in terms of cost. The categories of the program classification structure are program unit, effectiveness measures, goals and objectives, and program accumulators.</p>	Value-Added
IFMS-394.	<p><b>System - Accounting Categorization:</b> The accounting categorization contains the elements used to track assets, costs and revenues in the cost system. At a minimum, the cost system needs:</p> <ul style="list-style-type: none"> <li>• Standard General Ledger Account</li> <li>• Object Class/Cost Element</li> <li>• Entity/Non-entity/Inter-entity Indicator</li> <li>• Federal/Nonfederal Indicator</li> <li>• Reporting Period</li> <li>• Revenue Source Code (Optional)</li> </ul>	Mandatory
IFMS-395.	<p><b>System - A managerial cost accounting system should perform the following functions:</b></p> <ul style="list-style-type: none"> <li>• System administration to maintain the relatively static information that controls other system functions, manage application-level security, and manage data storage for the entire system.</li> <li>• Data capture to obtain data that is more dynamic than the data maintained by the system administration function. This includes capturing data on costs, units (e.g., of inputs, of outputs), exchange revenues, and gains and losses.</li> <li>• Cost assignment to assign costs to intermediate and final cost objects (e.g., outputs) either using direct tracing, on a cause-and-effect basis, or on a prorated basis using a cost allocation methodology.</li> <li>• Cost classification to determine values of inventory, property, plant, and equipment; stewardship investment amounts; and performance measures.</li> <li>• Cost monitoring to manage costs, operations, programs, and outputs according to management needs and external reporting requirements.</li> </ul>	Value-Added

## 3.7 FUND BALANCE WITH TREASURY MANAGEMENT REQUIREMENTS

### 3.7.1 FSIO Fund Balance with Treasury Management

The FBWT represents the money an agency can spend on future authorized transactions. Agencies record transactions that increase and decrease their FBWT to USSGL account 1010 in their general ledger. Appropriation warrants, NETs, collections, and disbursements are some of the transactions that impact an agency's FBWT.

Treasury requires that agencies reconcile their FBWT accounts regularly. RFCs, Disbursing Offices, and other depositaries provide Treasury with receipt and disbursement activity of the government. A comparison of this receipt and disbursement activity with agency records ensures the integrity and accuracy of internal and governmentwide financial report data.

#### Exhibit 27. FSIO Fund Balance with Treasury

FSIO Fund Balance with Treasury Management		
Requirement No.	Requirement Description	Priority
FBA 01 – 11	Treasury Information Maintenance	Mandatory
FBB 01 – 07	Payment Confirmation	Mandatory
FBC 01 – 16	Reconciliation and Reporting	Mandatory

### 3.7.2 MCC-Specific Fund Balance with Treasury Management

Except for actions that must be taken by MCC employees directly, the system and service provider will accurately track, execute and report on all necessary transactions concerning the FBWT.

#### Exhibit 28. Reconciliation of Fund Balance with Treasury

Reconciliation of Fund Balance with Treasury		
Requirement No.	Requirement Description	Priority
IFMS-396.	<b>Interface with the U.S. Treasury Central Accounting Front End System (CAFE):</b> The financial management system must be able to interface with CAFE. The financial management system must be able to export a minimum of two records to CAFE on a daily basis: 1) the summary record contains the document level data, and 2) the detail record(s) contain the transaction details by TAS/BETC/amount or C-Key/amount and total to the summary record.	Mandatory



Reconciliation of Fund Balance with Treasury		
Requirement No.	Requirement Description	Priority
IFMS-397.	<b>Standard Classification for Transactions:</b> The financial management system and financial service provider must provide a standard classification (Treasury account symbol [TAS]) and Business Event Type Code (BETC) or CKey to be translated to a TAS/BETC) at the inception of all transactions for data capture by the GWA to an Account Statement updated on a daily basis.	Mandatory
IFMS-398.	<b>Availability of FBWT Account Statement Data:</b> The FBWT Account Statement data, which captures detailed transaction information and is updated on a daily basis, must be available for constant review by appropriate MCC staff.	Mandatory
IFMS-399.	<b>Notification of Recurring, Unreconciled Amounts and Significant Adjustments:</b> The system must notify MCC staff of stagnant or recurring amounts on either the Statement of Differences for Deposits and Disbursements or if adjustments are greater than \$100,000.	Mandatory
IFMS-400.	<b>Availability of Summary Document Level Data and Detail Level Transaction Data:</b> Data exported to the Treasury CAFE system on a daily basis must be available for review and analysis by appropriate Division of Finance staff. This data, at a minimum, contains two records: 1) the summary record file containing document level data and 2) the detail record file containing transaction details by TAS/BETC/amount or C-Key/amount and total to the summary record.	Mandatory
IFMS-401.	<b>Availability of Financial Service Provider Documentation:</b> MCC's financial service provider(s) must document their reconciliations and make them available to MCC Division of Finance, auditors and Treasury upon request. Financial service providers must also ensure that all adjustments are researched and traceable to supporting documents.	Mandatory
IFMS-402.	<b>Notification of TAS Adjustments:</b> MCC staff must be notified when adjustments are made to the TAS.	Mandatory
IFMS-403.	<b>Adjusting USSGL FBWT Accounts or TAS:</b> The system shall ensure that all adjustments made to the USSGL FBWT accounts or Treasury account symbol are traceable at the transaction level and are accessible by MCC.	Mandatory
IFMS-404.	<b>Reconciling FBWT Accounts on a Daily Basis:</b> The financial management system must comply with GWA guidelines for the daily submission and reconciliation of FBWT accounts.	Mandatory
IFMS-405.	<b>Review of Data Exported to CAFE:</b> All data exported to CAFE on a daily basis from the financial management system must be reviewable and traceable by appropriate MCC staff and auditors, if applicable.	Mandatory
IFMS-406.	<b>Alert of Stagnant Unreconciled Differences:</b> The system will alert MCC of unreconciled differences that are on the Account Statement for more than 2 months.	Mandatory
IFMS-407.	<b>Document Review:</b> The system will enable authorized MCC to review all line items produced by the financial management system, and/or the financial service provider, for the reconciliation of the Fund Balance with Treasury. This includes all transactions that interface with all source systems, such as IPAC, Treasury Disbursement Office (TDO) Payments, Collections and Non-Treasury Disbursement Office (NTDO) Payments.	Mandatory
IFMS-408.	<b>FSIO Requirements:</b> The system must comply with all FSIO, Fund Balance with Treasury requirements.	Mandatory



### *Non-Expenditure Transfer (NET)*

MCC delegates the management and execution of its Threshold programs to USAID and other agencies. MCC allocates and transfers two types of funds to these Threshold management and execution agencies for 1) Threshold programs, and 2) the agencies' administrative costs. These funds are sent to the Threshold management and execution agencies via the GWA system NET application. The allocated funds are administration service fees for USAID and other agency oversight of the Threshold programs. The transferred funds are provided to support the Threshold countries, and are managed by USAID and other agencies. The service provider and system must account for these two types of funds separately.

### **Exhibit 29. Non-Expenditure Transfers**

<b>Non-Expenditure Transfers</b>		
<b>Requirement No.</b>	<b>Requirement Description</b>	<b>Priority</b>
IFMS-409.	<b>Capture and record funds amounts:</b> The system must capture and record the fund amounts allocated to other agencies for annual financial reporting purposes.	Mandatory
IFMS-410.	<b>Interface with GWA and export NET data:</b> The system must be able to interface with, and export all necessary NET data into the GWA system. The system must meet all federal and GWA reporting standards and requirements.	Mandatory
IFMS-411.	<b>System Integration:</b> The system must be integrated with the necessary systems (described in this RFP Section C-6.4) to accurately capture, record and report on all transactions for budget execution and budgetary resources, general ledger, and FBWT purposes.	Mandatory

## **3.8 ACQUISITION SYSTEM REQUIREMENTS**

### **3.8.1 Federal Acquisition Management System Requirements**

The automated procurement system shall meet all mandatory requirements within the Joint Financial management Improvement Program (JFMIP) *Acquisition/Financial Systems Interface Requirements*. The proposal response shall also provide an approach to comply with the updated version of these requirements, the FSIO *Acquisition System Requirements*. Furthermore, the automated procurement system shall also meet all Federal Acquisition Regulation (FAR) requirements and any other applicable guidelines or requirements.

OMB Circular A-130, *Management of Federal Information Resources*, requires agencies to use COTS software to reduce costs, improve the efficiency and effectiveness of system improvement projects, and reduce the risks inherent in developing and implementing a new system. To support this OMB mandate, vendors will be required to offer acquisition system products that meet all

mandatory requirements listed by FSIO and Joint Financial Management Improvement Program (JFMIP), as well as the MCC-specific requirements listed in this section of the document.

Requirements are intended to address the needs of Federal Acquisition Regulation (FAR)-based contracts. They are not intended to replace or modify the FAR, FAR supplements, or internal agency acquisition policy. Further, agencies have considerable leeway in how they use any system-delivered capability. In practice, the applicability of an individual requirement depends on business circumstances. Agencies may apply sound business judgment to the use of a compliant acquisition system, provided it:

- ▶ Is consistent with the FAR, FAR supplements, or other regulations that apply to agencies and organizations not covered by the FAR;
- ▶ Does not violate laws, executive orders, or other regulations; and
- ▶ Is in the best interests of the government.

The Federal acquisition system encompasses the processes, policies, and procedures the government employs to acquire products and services for its use. Those processes, policies, and procedures are applicable to all executive agencies and are published in the Federal Acquisition Regulation (FAR) and various agency regulations that implement or supplement the FAR. The following are some of the principles guiding the system:

- ▶ Providing quality products, on a timely basis, at reasonable costs to the taxpayer
- ▶ Promoting competition while rewarding contractors for successful past performance
- ▶ Maintaining a system open to all responsible contractors while meeting special public policy objectives, e.g., environmental, socio-economic.

Responsible government officials implement the system in the broad areas of requirements definition, solicitation, negotiation, source selection, award, and contract administration. Those officials are free to apply sound business judgment to these various aspects of the system, provided such judgment: (1) is consistent with the FAR; other regulations that apply to agencies and organizations not covered by the FAR, and various agency regulations that supplement the FAR, (2) does not violate law, executive order, or other regulations; and (3) is in the best interests of the government.

The Federal acquisition system relies on, and interacts with, many other agency-specific systems. For example, inventory systems may trigger the decision to procure, while the delivery of contract end items may be used to establish the agency's property management system record. Similarly, the acquisition system's issuance of an award can trigger the establishment of the financial system's obligation transaction by means of an electronic interface. The principal system, however, that shares information requirements and creates two-way dependencies with

the acquisition system is the financial system. These dependencies help to ensure integrity and control in the areas of budget, program management and delivery, external reporting, and data integrity.

### 3.8.2 MCC-Specific Procurement Management System Requirements

#### *Contracts and Grants Management – Automated Procurement System Requirements*

#### **Exhibit 30. Procurement System Requirements**

<b>Procurement System Requirements</b>		
<b>Requirement No.</b>	<b>Requirement Description</b>	<b>Priority</b>
IFMS-412.	<b>COTS Automated Procurement System:</b> The automated procurement system offered by the vendor shall be a COTS system and/or a component of the IFMS.	Mandatory
IFMS-413.	<b>Integration:</b> The automated procurement system must be fully integrated with the IFMS either as a IFMS module or as a standalone COTS product.	Mandatory
IFMS-414.	<b>Interface:</b> The automated procurement system must interface with all systems associated with Federal acquisitions.	Mandatory
IFMS-415.	<b>Acquisition Financial Assistance Requirement - All Functions:</b> <ul style="list-style-type: none"> <li>• The software must have the ability to incorporate MCC-specific data needs.</li> <li>• The software must support publication and dissemination of documents.</li> <li>• The software must provide the ability to display an approval path to show that appropriate approvers were used.</li> <li>• The software must support ad-hoc routing for approval.</li> <li>• The software must support inclusion and update of individual agency terms and conditions, regulations, and templates.</li> <li>• The software must provide access to archived 10CFR600 &amp; 10CFR605 terms and conditions and associated regulations.</li> <li>• The software must provide access to current 10CFR600 &amp; 10CFR605 terms and conditions and associated regulations.</li> <li>• The software must support direct electronic transmission of financial assistance documents and receipt of electronic responses from recipients, as well as electronic posting of documentation to posting systems and web sites.</li> <li>• The software must support, in all phases, static and dynamic electronic routing/approval of documents and attachments of electronic files.</li> </ul>	Mandatory
IFMS-416.	<b>Acquisition Financial Assistance - All Functions:</b> <ul style="list-style-type: none"> <li>• The software should have a capability of including terms and conditions by reference and full text.</li> <li>• The software should support printing paper documents.</li> <li>• The software should support concurrent and sequential reviews.</li> <li>• The software should support controls to prevent actions exceeding contracting officer warrant levels or without sufficient review from being processed.</li> </ul>	Value-Added

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<ul style="list-style-type: none"> <li>The software should support debriefings processes, e.g., pre-award, post-award, pursuant to 10CFR600 &amp; 10CFR605.</li> <li>The software should provide a view of the terms and conditions text as well as terms and conditions attributes such as Number, Title, Effective Date, By Reference or By Full Text, Vendor Fill-In/CO Fill-In, UCF Section, Status (active/inactive), Type of terms and conditions (MCC, local), Required, Required When Applicable, Optional.</li> <li>The software should provide a terms and conditions prescription preview.</li> <li>The software should provide search capability for federal and MCC financial assistance regulations, provisions, and terms and conditions.</li> <li>The software should provide federal terms and conditions/provision search capability.</li> <li>The software should support time limits on approvals -- e.g., if the specified time elapses, the software should push work to the alternate approver -- based on organization-specified business rules.</li> <li>The software should support "action on hold" for various reasons with the ability to flag.</li> <li>The software should provide users, who have been given the appropriate access level, with the ability to view the status of actions.</li> <li>The software should support intelligent work processes, e.g., agents or other automated functions.</li> <li>The software should support free form text fields.</li> <li>The software should provide notifications and alerts relating to actions.</li> <li>The software should support delegation of approval authority to appropriate users.</li> <li>The software should support milestone tracking and updates to milestones.</li> <li>The software should support search capabilities.</li> <li>The software should provide the ability to generate electronic copy of documents.</li> <li>The software should provide the ability to designate mandatory fields that should be completed by the PR originator/contract specialist/approver.</li> </ul>	
IFMS-417.	<p><b>Acquisition Financial Assistance Requirement - Pre-Award Phase:</b></p> <ul style="list-style-type: none"> <li>The software must support the collection of a vendor's DUNS Number.</li> <li>The software must support electronic receipt and acknowledgement of applications from applicants with time stamping and rejection and/or identification of late applications, pursuant to 10CFR600 &amp; 10CFR605.</li> <li>The software must support vendor access to electronic funding opportunity announcements and modifications.</li> <li>The software must support the development of rating or evaluation plans.</li> <li>The software must provide the ability to compose/edit funding opportunity announcements and amendments.</li> <li>The software must support approval of PRs by designated reviewers.</li> <li>The software must accommodate numerous sources of funding for one PR.</li> </ul>	Mandatory

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<ul style="list-style-type: none"> <li>The software must provide the ability to process several unique PRs to fund one award instrument.</li> <li>The software must support the development of financial assistance plans and the means to identify and develop the appropriate documents required to support the action contemplated.</li> <li>The software must provide the ability to make one or more awards from a single or multiple PR's.</li> <li>The software must provide ability to develop procurement requests (PRs) for awards and modifications.</li> <li>The software must support development of required documents, e.g., Determination of Noncompetitive Financial Assistance (DNFA) or Justification for Restricted Eligibility (JRE), pursuant to the 10CFR600 &amp; 10CFR605.</li> <li>The software must support development of documents from templates, e.g., performance work statements, specifications, drawings, requirements, and determinations and findings.</li> </ul>	
IFMS-418.	<p><b>Acquisition Financial Assistance Requirement - Pre-Award Phase:</b></p> <ul style="list-style-type: none"> <li>The software should provide for the ability to ensure that the recipient referenced in the procurement instrument is currently registered in the CCR and the associated recipient information (name, address, Cage Code, etc) is consistent. When an exception to CCR registration is applicable per FAR 4.1102, the software should allow manual entry of recipient information.</li> <li>The software should support review of the Excluded Party List System, pursuant to 10CFR600 &amp; 10CFR605.</li> <li>The software should support functionality questions &amp; answers, including the capability to interact one-on-one.</li> <li>The software should track the assignment of work to staff members.</li> <li>The software should support copying line items forward from PRs.</li> <li>The software should accommodate representations and certifications.</li> <li>The software should support zero dollar PRs</li> <li>The software should provide the ability to generate a tracking number for each proposal.</li> <li>The software should comply with the MCC numbering format.</li> <li>The software should support deviations from regulations.</li> <li>The software should support a central point for PRs to be queued for processing, with a summary view of each PR.</li> <li>The software should support partial and final receiving reports.</li> <li>The software should support past performance reports.</li> <li>The software should allow a requester to cancel a PR.</li> <li>The software should support future year PRs, such as creating an FY 2006 PR in FY 2005, pending availability of funds. (Capable of accommodating carryover actions.)</li> <li>The software should support both management distribution and staff retrieval of PRs for processing.</li> </ul>	Value-Added

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
IFMS-419.	<b>Acquisition Financial Assistance Requirement - Award Phase:</b> <ul style="list-style-type: none"> <li>The software must support evaluations of applications, technical evaluations, merit review committee reports, and selection statements.</li> <li>The software must support acceptance/rejection of PR packages.</li> <li>The software must provide ability to output a document in a non-alterable electronic form.</li> </ul>	Mandatory
IFMS-420.	<b>Acquisition Financial Assistance Requirement - Award Phase:</b> <ul style="list-style-type: none"> <li>The software should allow designated users to modify and lock specific pieces of accounting information and/or entire accounting code combinations in order to prevent further changes of a form, document, etc.</li> <li>The software should support partial award of actions associated with a single PR.</li> <li>The software should support the technical assessment of cost applications.</li> <li>The software should support access and storage of past performance information for the award file.</li> <li>The software should allow for reporting the status of the merit review process.</li> <li>The software should support secured, authorized access (e.g., an electronic lock-box), to hold offers, bids, etc. in advance of the RFP or IFB closing date</li> </ul>	Value-Added
IFMS-421.	<b>Acquisition Financial Assistance Requirement - Post Award Phase:</b> <ul style="list-style-type: none"> <li>The software must provide an interface for Federal Assistance Awards Data System (FAADS) reporting.</li> <li>The software must provide the ability to develop amendments, pursuant to 10CFR600 &amp; 10CFR605.</li> <li>The software must provide the ability to obligate/de-obligate funds in the financial system based on obligation/de-obligation amendments to financial assistance instruments.</li> <li>The software must link a PR (or PRs) to its corresponding commitment(s) to its corresponding obligation(s).</li> <li>The software must allow the consignee to document receipt and acceptance of deliverables.</li> <li>The software must support electronic receipt of applications.</li> </ul>	Mandatory
IFMS-422.	<b>Acquisition Financial Assistance Requirement - Post Award Phase:</b> <ul style="list-style-type: none"> <li>The software should provide the ability to track amendments made over the life of the financial assistance award, including cost, fee, and current total cost and obligations of contract.</li> <li>The software should support dynamic tracking status of events and associated milestones.</li> <li>The software should allow users to re-use financial assistance award data for new financial assistance actions.</li> <li>The software should support tracking government-furnished services and information (GFS and GFI).</li> <li>The software should support Spend Analysis capabilities.</li> </ul>	Value-Added

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<ul style="list-style-type: none"> <li>The software should support analytical functions that evaluate cycle and process times of a procurement lifecycle in support of process improvements.</li> <li>The software should provide the ability to document a waiver of deliverables.</li> <li>The software should provide the ability to reject defective deliverables.</li> <li>The software should provide the ability to calculate progress payments and the total payment amount.</li> <li>The software should provide the ability to change financial assistance award status from "closed" to "active."</li> <li>The software should provide an expiration notification of a financial assistance award to the CO/COR/Program Office/Recipient within a given organization-specified time period prior to that expiration.</li> <li>The software should support electronic communications with automatic notification of delivery status.</li> <li>The software should provide the ability to notify unsuccessful applicants, pursuant to 10CFR600 &amp; 10CFR605.</li> <li>The software should provide the ability to flag late/overdue deliverables.</li> <li>The software should support causing payment (partial, full, final) in the financial system as a result of confirmation of receipt and acceptance.</li> <li>The software should support a repository for annual indirect costs rate agreements.</li> <li>The software should provide the ability to flag awards when deliverables require special receiving procedures.</li> <li>The software should support the assignment / approval of accounting code combinations.</li> <li>The software should have the ability to generate management reports.</li> <li>The software should provide the ability to receive and process electronic invoices from recipients, via the MCC invoice payment system or document hard copy (paper) invoices submitted via Standard Form (SF) 270, Request for Advance or Reimbursement, as deemed necessary by the Contracting Officer.</li> <li>The software should support personal property management in accordance with regulations and requirements.</li> <li>The software should support ad-hoc queries and reports, based on all data fields.</li> </ul>	
IFMS-423.	<b>Acquisition Financial Assistance Requirement - Closure Phase:</b> The software must support close-out of all action award instruments, pursuant to 10 CFR 600 & 10 CFR 605.	Mandatory
IFMS-424.	<b>Acquisition Financial Assistance Requirement - Closure Phase:</b> <ul style="list-style-type: none"> <li>The software should support configuration capability allowing organization-specified waivers in the close-out action process.</li> <li>The software should support archiving and restoration of closed-out actions based on federal record retention regulations.</li> </ul>	Value-Added
IFMS-425.	<b>Acquisition Functional Requirement - All Functions:</b> <ul style="list-style-type: none"> <li>The software must have the ability to generate all standard and optional</li> </ul>	Mandatory

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<p>procurement forms prescribed in FAR Part 53.</p> <ul style="list-style-type: none"> <li>The software must have the ability to generate all types of acquisition instruments pursuant to the FAR.</li> <li>The software must have the ability to incorporate agency-specific data needs.</li> <li>The software must generate contract documents in the format specified by FAR. (e.g. Uniform Contract Format (UCF), Construction, Commercial)</li> <li>The software must provide the ability to output a document in a non-alterable electronic form.</li> <li>The software must support publication and dissemination of documents.</li> <li>The software must provide the ability to display an approval path to show that appropriate approvers were used.</li> <li>The software must support direct electronic transmission of acquisition documents and receipt of electronic responses from vendors, as well as electronic posting of documentation to posting systems and web sites.</li> <li>The software must support inclusion and update of individual agency clauses, regulations, and templates.</li> <li>The software must support the collection of a vendor's DUNS Number.</li> <li>The software must support, in all phases, static and dynamic electronic routing/approval of documents and attached electronic files in their native format and also web forms.</li> <li>The software must provide the ability to draft/edit solicitations, contracts, orders, modification, etc., through an automated clause/provision selection process based on the FAR matrix and DEAR prescriptions.</li> </ul>	
IFMS-426.	<p><b>Acquisition Functional Requirement - All Functions:</b></p> <ul style="list-style-type: none"> <li>The software should provide for the ability to ensure that all referenced government offices referenced in an Intergovernmental Transfer is currently registered in FEDREG.</li> <li>The software should support numerous sources of funding on each procurement instrument at both the document (PR/award/mod) level and line item level.</li> <li>The software should provide the ability to create multiple sub-line items.</li> <li>The software should employ context sensitive messages that address mistakes users have made with meaningful text that allows users to correct them.</li> <li>The software should support free form text fields.</li> <li>The software should provide notifications and alerts relating to actions.</li> <li>The software should provide a view of the clause text as well as clause attributes, such as Number, Title, Effective Date, By Reference or By Full Text, Vendor Fill-In/CO Fill-In, UCF Section, Status (active/inactive), Type of Clause (FAR, DEAR, local), Required, Required When Applicable, Optional.</li> <li>The software should provide a clause prescription preview.</li> <li>The software should provide regulation search capability.</li> <li>The software should provide federal clause/provision search capability.</li> </ul>	Value-Added



Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<ul style="list-style-type: none"> <li>The software should support time limits on approvals -- e.g., if the specified time elapses, the software should push work to the alternate approver -- based on organization-specified business rules.</li> <li>The software should track the assignment of work to staff members.</li> <li>The software should provide the ability to designate mandatory fields that must be completed.</li> <li>The software should facilitate sending work products to parties external to the department for their approvals, recommendations, comments or concurrence.</li> <li>The software should support approved deviations from regulations.</li> <li>The software should support concurrent and sequential reviews.</li> <li>The software should provide users, who have been given the appropriate access level, with the ability to view the status of actions.</li> <li>The software should have the ability to generate management reports.</li> <li>The software should support development of ad-hoc queries and reports, based on all data fields.</li> <li>The software should support past performance reports.</li> <li>The software should support search capabilities.</li> <li>The software should provide the ability to generate electronic copies of documents.</li> <li>The software should support compliance with contract security classification specifications.</li> <li>The software should support delegation of approval authority to appropriate users.</li> <li>The software should support milestone tracking and updates to milestones.</li> <li>The software should support dynamic status tracking of events and associated milestones, e.g., protests, disputes, and appeals.</li> <li>The software should have a capability of including a clause by reference and full text.</li> <li>The software should have a capability of including a clause by reference and full text.</li> </ul>	
IFMS-427.	<p><b>Acquisition Functional Requirement - Pre-Solicitation Phase:</b></p> <ul style="list-style-type: none"> <li>The software must have the ability to issue orders against awards issued outside MCC (e.g., GSA Schedule).</li> <li>The software must support development of required documents, e.g., Justification for Other Than Full and Open Competition (JOFOC) Statements, pursuant to the FAR.</li> <li>The software must support development of documents from templates, e.g., performance work statements, specifications, drawings, requirements, and determinations and findings.</li> <li>The software must post all required notices to FedBizOpps pursuant to the FAR.</li> <li>The software must link a PR (or PRs) to its corresponding commitment(s) to its corresponding obligation(s).</li> </ul>	Mandatory

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<ul style="list-style-type: none"> <li>The software must provide the ability to create multiple line items.</li> <li>The software must accommodate numerous sources of funding for one PR.</li> <li>The software must provide the ability to develop procurement requests (PRs) for awards and modifications.</li> <li>The software must support generation of all types of contracts, pursuant to the FAR.</li> <li>The software must support electronic receipt and acknowledgement of bids, quotations, and proposals from vendors with time stamping and rejection and/or identification of late bids, pursuant to the FAR.</li> <li>The software must support approval of Procurement Requests (PRs) by designated reviewers.</li> <li>The software must support vendor access to electronic solicitations and amendments.</li> </ul>	
IFMS-428.	<p><b>Acquisition Functional Requirement - Pre-Solicitation Phase:</b></p> <ul style="list-style-type: none"> <li>The software should provide for the ability to ensure that the vendor referenced in the procurement instrument is currently registered in the CCR and the associated vendor information (name, address, Cage Code, etc) is consistent. When an exception to CCR registration is applicable per FAR 4.1102, the software should allow manual entry of vendor information.</li> <li>The software should provide the ability to receive and respond to questions related an open solicitation.</li> <li>The software should support a central point for PRs to be queued for processing, with a summary view of each PR.</li> <li>The software should allow a requester to cancel a PR.</li> <li>The software should support future year PRs, such as creating an FY 2006 PR in FY 2005, pending availability of funds (i.e. capable of accommodating carryover actions).</li> <li>The software should accommodate representations and certifications.</li> <li>The software should provide ability to generate a tracking number for each proposal.</li> <li>The software should allow users to re-use contract data for new acquisition actions.</li> <li>The software should support action on hold for various reasons with the ability to flag.</li> <li>The software should support numbering formats to the 1/1,000, e.g., unit prices should have three places after the decimal point (e.g. unit price of \$1.257).</li> <li>The software should support both management distribution and staff retrieval of PRs for processing.</li> <li>The software should allow designated users to modify and lock specific pieces of accounting information and/or entire accounting code combinations in order to prevent further changes of a form, document, etc.</li> <li>The software should support acceptance/rejection of PR packages.</li> <li>The software should provide the ability to process several unique PRs to</li> </ul>	Value-Added

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<p>fund one award instrument.</p> <ul style="list-style-type: none"> <li>The software should support the development of acquisition plans (pursuant to FAR part 7) and the means to identify and develop the appropriate documents required to support the action contemplated.</li> </ul>	
IFMS-429.	<p><b>Acquisition Functional Requirement - Award Phase:</b></p> <ul style="list-style-type: none"> <li>The software must support evaluations of proposals, bids, and quotes, e.g., competitive range determinations, technical evaluations, source evaluation board reports, and source selection statements.</li> <li>The software must provide the ability to make one or more awards from a single or multiple PR's.</li> </ul>	Mandatory
IFMS-430.	<p><b>Acquisition Functional Requirement - Award Phase:</b></p> <ul style="list-style-type: none"> <li>The software should support review of the Excluded Party List System, pursuant to the FAR.</li> <li>The software should support partial award of actions associated with a single PR.</li> <li>The software should support the scoring of vendors' performance against the performance evaluation plan, preferably electronically.</li> <li>The software should support receipt of certificate of current cost on pricing data.</li> <li>The software should support evaluation of cost proposals.</li> <li>The software should provide tools to support cost/price evaluation, such as adjustments for preference programs such as HUB zone, technical scoring, creation of a bid abstract for negotiated and sealed bids, etc.</li> <li>The software should support obtaining appropriate wage determination (Service Act).</li> <li>The software should provide the ability to create multiple delivery destinations/required by delivery dates per contract line item.</li> <li>The software should support controls to prevent actions exceeding contracting officer warrant levels or without sufficient review from being processed.</li> <li>The software should support reverse-auctions.</li> <li>The software should support secured, authorized access (e.g., an electronic lock-box), to hold offers, bids, etc. in advance of the RFP or IFB closing date.</li> <li>The software should support copying line items forward from PRs.</li> </ul>	Value-Added
IFMS-431.	<p><b>Acquisition Functional Requirement - Post Award Phase:</b></p> <ul style="list-style-type: none"> <li>The software must provide the ability to obligate/de-obligate funds in the financial system based on obligation/de-obligation modifications to contracts.</li> <li>The software must provide an interface for FPDS NG reporting.</li> <li>The software must provide ability to develop modifications, pursuant to FAR.</li> </ul>	Mandatory
IFMS-432.	<p><b>Acquisition Functional Requirement - Post Award Phase:</b></p> <ul style="list-style-type: none"> <li>The software should provide capability to provide stand-alone and conformed modifications</li> <li>The software should have the ability to track Indefinite-Delivery Contract</li> </ul>	Value-Added

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<p>(IDC) line item/document constraints such as minimum order quantity/dollars.</p> <ul style="list-style-type: none"> <li>• The software should support Spend Analysis capabilities.</li> <li>• The software should support organization-specified external node access, e.g., supply chain management.</li> <li>• The software should support analytical functions that evaluate cycle and process times of a procurement lifecycle in support of process improvements.</li> <li>• The software should support reconciliation of unit price and quantities purchased.</li> <li>• The software should provide ability to capture relevant product data, e.g., serial number(s), make, and model, at time of receipt.</li> <li>• The software should support tracking government-furnished services and information (GFS and GFI).</li> <li>• The software should provide the ability to calculate progress payments and the total payment amount.</li> <li>• The software should support the use of Reimbursable Work Authorizations (RWAs).</li> <li>• The software should provide the ability to notify the CO/COR/Program Office when a defined percent of funds and or hours have been expended.</li> <li>• The software should provide an expiration notification of a contract or option to the CO/COR/Program Office/Contractor within a given organization-specified time period prior to that expiration.</li> <li>• The software should provide the ability to document a waiver of deliverables.</li> <li>• The software should provide the ability to reject defective deliverables.</li> <li>• The software should support debriefing processes, e.g., pre-award, post-award, pursuant to FAR.</li> <li>• The software should support electronic communications with automatic notification of delivery status.</li> <li>• The software should provide the ability to notify unsuccessful bidders/offers, pursuant to FAR.</li> <li>• The software should provide the ability to change contract status from "closed" to "active."</li> <li>• The software should support the assignment / approval of accounting code combinations.</li> <li>• The software should support a repository for annual indirect costs rate agreements.</li> <li>• The software should support causing payment (partial, full, final) in the financial system as a result of confirmation of receipt and acceptance.</li> <li>• The software should provide the ability to flag late/overdue deliverables.</li> <li>• The software should provide the ability to flag purchase orders when goods require special receiving procedures.</li> <li>• The software should support partial and final receiving reports.</li> <li>• The software should support access and storage of past performance information for the award file.</li> <li>• The software should provide the ability to receive and process electronic</li> </ul>	

Procurement System Requirements		
Requirement No.	Requirement Description	Priority
	<p>invoices from vendors, via its invoice payment system.</p> <ul style="list-style-type: none"> <li>The software should support personal property management in accordance with regulations and requirements.</li> <li>The software should allow the consignee to document receipt and acceptance of goods or services.</li> <li>The software should provide the ability to track modifications made over the life of the instrument, including cost, fee, and current total cost and obligations of contract.</li> </ul>	
IFMS-433.	<p><b>Acquisition Functional Requirement – Closure:</b></p> <ul style="list-style-type: none"> <li>The software must support close-out of all action award instruments, pursuant to the FAR.</li> <li>The software must provide access to archived FAR and DEAR clauses and associated regulations.</li> </ul>	Mandatory
IFMS-434.	<p><b>Acquisition Functional Requirement – Closure:</b></p> <ul style="list-style-type: none"> <li>The software should support archiving and restoration of closed-out actions based on federal record retention regulations.</li> <li>The software should support configuration capability allowing organization-specified waivers in the close-out process.</li> </ul>	Value-Added

## 3.9 ASSET MANAGEMENT REQUIREMENTS

### 3.9.1 Federal Asset Management Requirements

The asset management module shall maintain compliance with all applicable Federal requirements and guidance concerning asset management. This includes all applicable guidance in the JFMIP [Property Management System Requirements](#) and [Inventory, Supplies, and Materials System Requirements](#).

### 3.9.2 MCC-Specific Asset Management Module Requirements

Strategically, MCC does not maintain a large amount of capitalized or fixed assets. However, the value of these assets should be accurately maintained within an asset management module that is a fully integrated component of IFMS. The asset management module requirements, that will track MCC's Property, Plant, and Equipment (PP&E) are listed below.

*Property, Plant, and Equipment (PP&E)***Exhibit 31. Property, Plant, and Equipment**

<b>Property, Plant, and Equipment</b>		
<b>Requirement No.</b>	<b>Requirement Description</b>	<b>Priority</b>
IFMS-435.	<b>Report Generation for PP&amp;E:</b> The information entered automatically from the asset management module into the core financial system must be able to, at a minimum, generate reports for all major classes of general PP&E on: 1) cost, associated accumulated depreciation, and book value; 2) estimated useful life; 3) method(s) of depreciation; 4) capitalization threshold(s), including any changes in threshold(s) during the period; 5) restrictions on the use or convertibility of general PP&E and 6) the estimated salvage value at end of useful life.	Mandatory
IFMS-436.	<b>Export to the GSA-Xcess System:</b> The core financial system must be able to export information directly from the core financial system to the GSA-Xcess System (if applicable or other excess reporting system).	Mandatory
IFMS-437.	<b>Identifying Excess Property and Recording Transfer/Disposal of Property:</b> The fully integrated asset management module and core financial systems will enable the Corporation to: 1) identify excess property or property held for disposal/retirement; 2) transfer property record data to the disposing organization or receiving entity; 3) capture date of transfer, transferring entity, and recipient organization; 4) capture type of disposal action (i.e. retirement, exchange, sale donation, etc.), final disposition, and date of disposal; 5) capture property retirement or disposal status; 6) calculate gain or loss at time of disposal or retirement, sale, exchange, donation; 7) transfer the asset's acquisition cost, accumulated depreciation/amortization, and the amount of gain or loss to the core financial system at the time of asset transfer, disposal, or retirement; and 8) maintain an audit trail of transfer, disposal, and retirement actions 9) apply NARA's records disposition schedule to destroy/delete excessed & surplus PP&E system files and reports.	Mandatory
IFMS-438.	<b>Classify and Adjust and Record Asset Values:</b> The asset management module and the core financial system must be fully integrated, enabling MCC to: 1) provide an audit trail for all adjustments to property values; 2) classify PP&E assets according to the USSGL accounts; 3) generate data for the journal entries necessary for recording changes in the valuation including any associated gains or losses; and 4) capture the value of donated assets.	Mandatory
IFMS-439.	<b>Detailed Depreciation Requirements of Capital Assets:</b> The core financial system must utilize the MCC-established criteria for asset useful lives when depreciating the cost of capital assets: 1) Other General PP&E (office equipment and furniture, vehicle and leasehold improvements) - 5 year life: <ul style="list-style-type: none"> <li>• acquisition and installation costs of capital office equipment and furniture;</li> </ul> 2) Information Technology Software - 5 year life; and 3) IT Infrastructure and Hardware - 3 year life: <ul style="list-style-type: none"> <li>• acquisition and installation costs of telephone and other telecommunications equipments,</li> <li>• automated data processing (ADP) and Word Processing equipment,</li> <li>• acquisition and installation costs of equipment primarily used in ADP and Word Processing operations.</li> </ul>	Mandatory

Property, Plant, and Equipment		
Requirement No.	Requirement Description	Priority
IFMS-440.	<b>Calculation, Tracking and Adjustments to Assets:</b> The asset management module allows MCC to: 1) capture the estimated useful life, depreciation/amortization/depletion method, and salvage/residual value for each asset or group of assets, when applicable; 2) calculate depreciation/amortization/depletion based on a management prescribed method and the net book value of capitalized assets; 3) accumulate amortization, depletion, and depreciation expenses; 4) provide an audit trail for amortization, depletion, and depreciation expense; and 5) enable specifically-authorized users access to change the estimated useful life of an asset, the depreciation method, and the estimated salvage value, and make adjustments to PP&E asset and contra-asset accounts on an exception basis.	Mandatory
IFMS-441.	<b>Cost Included in the Asset Record for all Inventoried Assets:</b> The system shall provide for the original acquisition cost to be included in the asset record inventory for all inventoried assets.	Mandatory
IFMS-442.	<b>Straight Line Depreciation Method Required for Build-Out Costs:</b> The core financial system or the property accounting module will provide for applying the straight line depreciation method for all build-out costs over the remaining life of the lease.	Mandatory
IFMS-443.	<b>Salvage/Residual Value of Assets:</b> The system shall provide for all MCC PP&E assets to be recorded in the asset management and core financial systems with a salvage/residual value of \$0.	Mandatory
IFMS-444.	<b>Recording Capital Assets:</b> The system shall provide for capital assets to be recorded in the asset management system (and subsequently in the core financial system) at cost in the fiscal year in which the capital asset is received and accepted.	Mandatory
IFMS-445.	<b>Updating Core Financial System Subsequent to Changes in the Asset Management System:</b> The core financial system shall provide for updating appropriate fixed assets/general ledger records subsequent to changes in the asset management module when a PP&E asset is acquired through the Corporation's procurement system. Upon MCC recognition of ownership of the asset, the system shall provide for the status of the transaction to be updated in the core financial system.	Mandatory
IFMS-446.	<b>Requirements for Populating, Access to, Updating, Audit Trails, and Reconciliation of the Asset Management System:</b> The asset management module shall interface with the core financial system with, at a minimum, the following requirements: 1) use a single point of entry to populate the asset management database; 2) simultaneously update all databases with which the asset management system interfaces; 3) ensure that audit trails of all system transactions are captured; and 4) facilitate ease of reconciliation between systems ensuring data accuracy.	Mandatory
IFMS-447.	<b>Depreciation Tracking and Updating in the Core Financial System:</b> The system shall provide for depreciation of capitalized assets, as defined in SFFAS Number 6 and defined in further detail in MCC's Policies and Procedures on Property, Plant, and Equipment. The system must automatically track depreciation in the core financial system and be updated on a daily basis.	Mandatory
IFMS-448.	<b>Import of Inventoried PP&amp;E Information into the Core Financial System:</b> The asset management system that tracks inventoried PP&E, per SFFAS Numbers 6 and 10 thresholds, will export data to the core financial system on a daily basis.	Mandatory

Property, Plant, and Equipment		
Requirement No.	Requirement Description	Priority
IFMS-449.	<b>High Level SFFAS Requirements:</b> The system must define and account for PP&E based on SFFAS Number 6 and SFFAS Number 10.	Mandatory
IFMS-450.	<b>General FSIO Requirements:</b> MCC's asset management system must collect and maintain information required by MCC for financial reporting, in accordance with generally accepted government accounting principles.	Mandatory
IFMS-451.	<b>Integration of Asset Management and Core Financial Management Systems:</b> MCC's asset management system must be integrated with the core financial management system.	Mandatory
IFMS-452.	<b>Ad-hoc Inventory Reporting:</b> The asset management system must be capable of producing flexible, ad-hoc inventory reports.	Mandatory
IFMS-453.	<b>Single point of entry sign-in:</b> The system shall enable access, through the use of a single sign-on interface, with Active Directory without requiring an additional user-id/password combination.	Value-Added
IFMS-454.	<b>Helpdesk Interface:</b> The system shall provide for integration with the Service Desktop Express application.	Value-Added
IFMS-455.	<b>Property Accountability:</b> The system shall capture the identity of the property custodian and/or the accountable organization by country for each MCA and by Departments at MCC's headquarters.	Mandatory
IFMS-456.	<b>Property Accountability:</b> The system shall assign PP&E to an owner based on the location of the PP&E. The system shall identify and track unassigned PP&E in common areas and office space or in storage until such time that the asset is assigned to an owner.	Mandatory

### 3.10 TECHNICAL REQUIREMENTS

#### 3.10.1 FSIO Technical Requirements

##### Exhibit 32. FSIO Technical Requirements

FSIO Standards for Technical Requirements		
Requirement No.	Requirement Description	Priority
TLA 01 – 05	General Design/Architecture	Mandatory
TLA 06 – 07	General Design/Architecture	Value-Added
TLB 01 – 23	Infrastructure	Mandatory
TLC 01 – 05	User Interfaces	Mandatory
TLC 06	User Interfaces	Value-Added
TLD 01 – 07	Interoperability	Mandatory
TLD 08 – 10	Payment Follow-Up	Value-Added



FSIO Standards for Technical Requirements		
Requirement No.	Requirement Description	Priority
TLE 01 – 09	Workflow/Messaging	Mandatory
TLE 10 – 12	Workflow/Messaging	Value-Added
TLF 01 – 03	Document Management	Mandatory
TLG 01 – 02	Internet Access	Mandatory
TLG 03 – 06	Internet Access	Value-Added
TLH 01 – 05	Security	Mandatory
TLI 01 – 11	Operations	Mandatory
TLI 12 – 13	Operations	Value-Added
TLJ 01 – 11	Ad Hoc Query	Mandatory
TLJ 12 – 13	Ad Hoc Query	Value-Added
TLK 01 – 05	Documentation	Mandatory
TLL 01 – 04	System Performance	Mandatory
TLL 05	System Performance	Value-Added

### 3.10.2 MCC-Specific Technical Requirements

**Exhibit 33. MCC-Specific Technical Requirements**

MCC-Specific Technical Requirements		
Requirement No.	Requirement Description	Priority
IFMS-457.	<b>Documentation – System Documentation:</b> The system vendor shall provide installation, administration, and end-user documentation.	Mandatory
IFMS-458.	<b>Documentation – Network Documentation:</b> The system shall include documentation on all network communication ports utilized for user and system interfaces.	Mandatory
IFMS-459.	<b>Interoperability – Hyperlinks:</b> The system shall have the ability to store references to Hyperlinks in text fields.	Mandatory
IFMS-460.	<b>Interoperability – MIDAS interface:</b> The system shall be able to interface with an MCC Financial Data Warehouse.	Mandatory
IFMS-461.	<b>Interoperability – Congressional marks:</b> The system shall receive electronic feeds pertaining to House, Senate, and conference marks where appropriate.	Mandatory
IFMS-462.	<b>Operations – Patches and Versions:</b> The system vendor shall provide system patches and version updates for new product releases	Mandatory
IFMS-463.	<b>Operations – Transaction Recover:</b> The system shall provide that a session state of transaction can be recovered up to the 'last save' when a user is abnormally disconnected.	Mandatory

MCC-Specific Technical Requirements		
Requirement No.	Requirement Description	Priority
IFMS-464.	<b>Operations – Disaster/COOP:</b> The system shall support an architecture that will allow for the site authority to restore continuity of operations in the event of a partial or total disaster within two business days.	Mandatory
IFMS-465.	<b>Operations – Certification and Accreditation:</b> The system shall comply with Federal and MCC security requirements necessary to acquire Certification and Accreditation (C&A) status.	Mandatory
IFMS-466.	<b>Operations – MS Internet Server:</b> The system shall either interface to Microsoft Information Internet Server 6.0 or higher (for Microsoft Windows platforms) or to Apache Tomcat (for Unix/Linux Platforms).	Mandatory
IFMS-467.	<b>Operations – Bug issue and tracking:</b> The vendor shall maintain a knowledge base to record bugs and issues.	Mandatory
IFMS-468.	<b>Operations – Vendor technical support:</b> The system vendor shall offer live Vendor Help Desk Support for the Technical Team during normal business hours (Monday through Friday from 7:30 AM to 5:30 PM Eastern Standard Time, excluding Federal Holidays) and be available during extended hours, if necessary.	Mandatory
IFMS-469.	<b>Reporting – Querying and reporting capability:</b> The system shall provide query and reporting capabilities for both standard reports, system reports and ad-hoc reports.	Mandatory
IFMS-470.	<b>Reporting – Search criteria:</b> The system shall perform on-line queries of budgetary data based on user-defined search criteria.	Mandatory
IFMS-471.	<b>Reporting – Error reports:</b> The system shall automatically generate error reports.	Mandatory
IFMS-472.	<b>Security – Log-In Access:</b> The system shall support MCC's (CIO established) standards for user identification, role-based security, and single-sign-on capability.	Mandatory
IFMS-473.	<b>Security – Java Database Connectivity Protocols:</b> The system will support JDBC.	Mandatory
IFMS-474.	<b>Security – Encryption:</b> The system will support all applicable federal rules and guidelines in relation to data encryption.	Mandatory
IFMS-475.	<b>Security – Time-Outs:</b> User sessions will time out on a regular basis	Mandatory
IFMS-476.	<b>Security – Configuration Management:</b> The system will record its own configuration information and have the capability to export it to a file for backup purposes, or to print a paper copy of the configuration information.	Mandatory
IFMS-477.	<b>Security – Password Expiration:</b> Passwords will expire on a regular basis, or as determined by the system administrator.	Mandatory
IFMS-478.	<b>Security – Number of Sessions:</b> Each set of user credentials can only be logged into a single session at any given time.	Mandatory
IFMS-479.	<b>Security – LDAP:</b> The system will support directory delegation to remote directory systems via LDAP.	Priority
IFMS-480.	<b>Security – Invalid Attempts at sign-on:</b> The system should lock out users who attempt to many invalid login attempts at sign on.	Mandatory
IFMS-481.	<b>Security – Password Expiration:</b> If not connected to an external directory system, Users will be forced to change their passwords on a regular basis.	Mandatory

MCC-Specific Technical Requirements		
Requirement No.	Requirement Description	Priority
IFMS-482.	<b>Security – Disallow Weak Password:</b> If not connected to an external directory system, Weak passwords will be disallowed by the system.	Mandatory
IFMS-483.	<b>Security – Administrative Privileges:</b> The system controls shall ensure that system maintenance or repair, as well as software modification or replacement requires administrator privileges.	Mandatory
IFMS-484.	<b>Security – Unique user ID and Password:</b> The system shall assign each user a unique USER ID and Password	Mandatory
IFMS-485.	<b>Security – System Protection/Replacement:</b> The system shall require application software with known exploitable weaknesses to be replaced with updated versions.	Mandatory
IFMS-486.	<b>Security – Access Control for Reports:</b> The system shall ensure that access policies are consistently enforced when users generate or invoke reports or ad-hoc data queries.	Mandatory
IFMS-487.	<b>Security – Data Protection:</b> The system shall guard against unauthorized information modification, or destruction, and includes information non-repudiation and authenticity.	Mandatory
IFMS-488.	<b>Security – MCC Warning Banner:</b> The system shall be configured such that an MCC warning banner is displayed to users upon first accessing MCC automated information resources.	Mandatory
IFMS-489.	<b>System performance – System availability:</b> The system shall be available on a 24x7 basis, except for scheduled maintenance downtime.	Mandatory
IFMS-490.	<b>Workflow Messaging – Routing and Notification:</b> The system shall have workflow automation incorporating routing and notifications.	Mandatory
IFMS-491.	<b>Workflow Messaging – E-Signature within Workflow:</b> The system will support e-signatures within the workflow process.	Mandatory
IFMS-492.	<b>Workflow Messaging – Updating Actual Costs:</b> The system shall have the ability to update actual cost data regularly from MCC's Accounting system of record.	Mandatory

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## Appendix A. Acronyms and Abbreviations

Acronym/Abbreviation	Description
ACC	Accounting Classification Code
BOC	Budget Object Classification code
CBJ	Congressional Budget Justification
CGAC	Common Governmentwide Accounting Classification
CIF	Compact Implementation Funds
COAST	Consolidated Overseas Accountability Support Toolbox
COTR	Contracting Officer Technical Representative
COTS	Commercial Off the Shelf
CPS	Common Payment System
DCIA	Debt Collection Improvement Act of 1996
FBWT	Fund Balance with Treasury
FFMIA	The Federal Financial Management Improvement Act
FISMA	Federal Information Security Management Act
FMFIA	Federal Manager's Financial Integrity Act
FMPP	MCC Division of Finance Financial Management Policies and Procedures
FMS	U.S. Treasury Financial Management Service
FPPS	Federal Personnel and Payroll System (Operated by NBC)
FRICE	Forms, Reports, Interfaces, Conversions, and Enhancements
FSIO	Financial Systems Integration Office
FTE	Full-Time Employee (MCC)
FY	Fiscal Year
GAO	Government Accountability Office
GPRA	Government Performance and Results Act
GWA	Governmentwide Accounting system
IFMS	Integrated Financial Management System
IPAC	Intra-governmental Payment and Collection
IPT	Integrated Project Team
ITS	International Treasury Service system
MCA	Millennium Challenge Account country (recipient country)
MCC	Millennium Challenge Corporation
MIDAS	MCC Integrated Data Analysis System

# MILLENNIUM CHALLENGE CORPORATION

NARA	National Archives and Records Administration
NBC	U.S. Department of Interior's National Business Center
NET	Non-Expenditure Transfer
NFC	U.S. Department of Agriculture's National Finance Center
NIST	National Institute of Standards and Technology
OIG	Office of Inspector General
OECD	Organization for Economic Co-operation and Development
OMB	Office of Management and Budget
PAR	Performance and Accountability Report
PCS	Permanent Change of Station
PM	Project Manager
PMBok	Project Management Book of Knowledge
POC	Point of Contact
PSC	Personal Services Contractor
QFR	Quarterly Financial Report
SFFAS	Statement of Federal Financial Accounting Standards
SPS	Secure Payment System
STAR	System for Time and Attendance Reporting (Operated by NFC)
TFM	Treasury Financial Manual
USAID	U.S. Agency for International Development